NEW ISSUES: FULL BOOK-ENTRY

Moody's "Aa2"
Standard & Poor's "AA"
Fitch "AA+"
See "RATINGS" herein

Subject to compliance with certain covenants, in the opinion of Quarles & Brady LLP, and Crump Law Firm, LLC, Co-Bond Counsel, under present law, interest on the Bonds (as hereinafter defined) is excludible from gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes. See "TAX EXEMPTION" and "Forms of Legal Opinions" herein for a more complete discussion. The Bonds will not be designated as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

OFFICIAL STATEMENT

Milwaukee County, Wisconsin

Dated: Date of Delivery **Delivery**: Expected on November 12, 2015

$31,655,000
General Obligation Corporate Purpose Bonds, Series 2015A

$31,655,000 General Obligation Corporate Purpose Bonds, Series 2015A (the "2015A Bonds"), are being issued by Milwaukee County, Wisconsin (the "County") pursuant to Chapter 67 of the *Wisconsin Statutes*. The 2015A Bonds are being issued to provide financing for certain capital projects as described in "DESCRIPTION OF BONDS – Authorization and Purpose" herein.

$14,680,000
General Obligation Refunding Bonds, Series 2015B

$14,680,000 General Obligation Refunding Bonds, Series 2015B (the "2015B Bonds"), are being issued by the County pursuant to Chapter 67 of the *Wisconsin Statutes*. The 2015B Bonds will be issued to refund certain outstanding obligations of the County as described in "DESCRIPTION OF BONDS – Authorization and Purpose" herein.

The 2015A Bonds and the 2015B Bonds will collectively be referred to as the "Bonds". The Bonds will be general obligations of the County for which its full faith and credit and unlimited taxing powers are pledged.

Interest on the Bonds is payable semiannually on each April 1 and October 1, commencing April 1, 2016. The 2015A Bonds maturing on October 1, 2025 and thereafter are subject to prior redemption at the option of the County on October 1, 2024 and any date thereafter at a price of par plus accrued interest. The 2015B Bonds are not subject to prior redemption.

SEE INSIDE COVER PAGE FOR MATURITY AND PRICING SCHEDULE AND CUSIP NUMBERS

The Bonds will be issued as fully registered obligations without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal of and interest on the Bonds will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds. (See "Book-Entry-Only System" herein.)

Not Bank Qualified: The Bonds will not be designated as "qualified tax-exempt obligations"

Co-Financial Advisors: Public Financial Management, Inc. and Independent Public Advisors, LLC

The Date of this Official Statement is October 14, 2015.

(THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.)

Maturity and Pricing Schedule, and CUSIP† Numbers

Milwaukee County, Wisconsin

$31,655,000 General Obligation Corporate Purpose Bonds, Series 2015A

Maturity (October 1)	Principal Amount	Rate	Yield	CUSIP
2016	$ 1,380,000	2.00%	0.35%	602245B68
2017	1,385,000	2.00%	0.65%	602245B76
2018	1,385,000	2.00%	0.90%	602245B84
2019	1,395,000	2.00%	1.15%	602245B92
2020	2,380,000	2.00%	1.40%	602245C26
2021	2,380,000	2.00%	1.60%	602245C34
2022	2,380,000	2.00%	1.80%	602245C42
2023	2,380,000	2.00%	2.00%	602245C59
2024	2,370,000	3.00%	2.15%	602245C67
2025	2,370,000	3.00%	2.25%	602245C75
2026	2,370,000	3.00%	2.45%	602245C83
2027	2,370,000	3.00%	2.65%	602245C91
2028	2,370,000	3.00%	2.85%	602245D25
2029	2,370,000	3.00%	3.00%	602245D33
2030	2,370,000	3.00%	3.05%	602245D41

$14,680,000 General Obligation Refunding Bonds, Series 2015B

Maturity (October 1)	Principal Amount	Rate	Yield	CUSIP
2016	$ 2,625,000	2.00%	0.35%	602245D58
2017	2,520,000	2.00%	0.70%	602245D66
2018	2,455,000	2.00%	0.90%	602245D74
2019	2,395,000	3.00%	1.13%	602245D82
2020	2,350,000	3.00%	1.40%	602245D90
2021	2,335,000	3.00%	1.60%	602245E24

---

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright © 2015 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for services provided by CGS. CUSIP® numbers are provided for convenience of reference only. None of the County, the Financial Advisors, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

TABLE OF CONTENTS

INTRODUCTION TO OFFICIAL STATEMENT i
DESCRIPTION OF BONDS 1
2015A Bonds - Authorization and Purposes 1
2015B Bonds - Authorization and Purpose 1
Sources and Uses 2
Security Provisions 2
Optional Redemption 2
Notice of Redemption 2
Registration, Transfer and Exchange 3
BOOK-ENTRY-ONLY SYSTEM 3
RATINGS 5
UNDERWRITING 5
CO-FINANCIAL ADVISORS 5
LITIGATION 6
CERTAIN LEGAL MATTERS 6
TAX EXEMPTION 6
CONTINUING DISCLOSURE 7
MUNICIPAL BANKRUPTCY 8
CERTIFICATION 9

COUNTY GOVERNMENT 10
General 10
Government and Administration 10
County Executive's Office 11
Legislative 11
Financial Management 12
Services Provided by the County 16

COMMUNITY CHARACTERISTICS 30
Population, Income, and Employment Trends 30
Location and Transportation System 31
Education 31
Business Outlook Survey 31
Larger Area Private Sector Employers 32
Major Industrial Taxpayers in the County 33
Major Non-Industrial Taxpayers in the County 34
Major Construction Projects Planned and in Process in the County 35

DEBT STRUCTURE 36
Payment Record 36
General Obligation Debt by Issue 36
Airport Revenue Debt 39
Other County Obligations 39
Short-Term Debt 40
Future Financings 40
Legal Debt Limit 40
Direct and Indirect Debt 42

FINANCIAL INFORMATION 43
Tax Assessment 43
Equalized Value Trends 43
Property Tax Levies and Collections 44
Property Tax Levies and Collections – City of Milwaukee 44
Property Tax Rates for County Levies 45

Tax Levy and Tax Rate Trends 45
Levy Limits 45
Property Tax Collections 46
Other Major County Revenues 47
Five-Year Summary of Revenues, Expenditures and Changes In Fund Balance – General Fund 48
Five-Year Summary of Revenues, Expenses and Changes In Net Position – All Proprietary Funds 49
2014 and 2015 Adopted Budgets 50

APPENDICES

The County's Audited Financial Statements ..... APPENDIX A
Forms of Legal Opinions of Co-Bond Counsel ..... APPENDIX B
Forms of Continuing Disclosure Certificates ..... APPENDIX C

INTRODUCTION TO OFFICIAL STATEMENT

The following information is furnished solely to provide limited introductory information regarding the County's $31,655,000 General Obligation Corporate Purpose Bonds, Series 2015A (the "2015A Bonds") and $14,680,000 General Obligation Refunding Bonds, Series 2015B (the "2015B Bonds")(collectively, the 2015A Bonds and the 2015B Bonds are referred to herein as the "Bonds"), and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement, including the appendices hereto.

Issuer:	Milwaukee County, Wisconsin (the "County").
Dated:	Date of Delivery.
Delivery:	The County will deliver the Bonds anywhere in the United States as designated by the purchaser within 45 days against payment in immediately available funds. Delivery is expected on or about November 12, 2015.
Security:	The Bonds are general obligations of the County for which the County pledges its full faith and credit and power to levy direct general ad valorem taxes, which taxes may, under current law, be levied without limit as to rate or amount. A direct irrepealable tax has been levied upon all taxable property in the County. (See "DESCRIPTION OF THE BONDS – Security Provisions" herein.)
Purpose and Authority:	**2015A Bonds:** Proceeds of the 2015A Bonds will be used to provide financing for certain capital projects as described herein, and to pay the cost of issuing the 2015A Bonds, pursuant to the laws of the State of Wisconsin including Chapter 67 of the *Wisconsin Statutes* and resolutions adopted by the County Board. **2015B Bonds**: Proceeds of the 2015B Bonds will be used to refund certain obligations of the County as described herein, and to pay the cost of issuing the 2015B Bonds, pursuant to the laws of the State of Wisconsin including Chapter 67 of the *Wisconsin Statutes* and resolutions adopted by the County Board.
Optional Redemption:	**2015A Bonds**: The 2015A Bonds maturing on October 1, 2025 and thereafter are subject to prior redemption at the option of the County on October 1, 2024 and any date thereafter at a price of par plus accrued interest. **2015B Bonds**: The 2015B Bonds are not subject to prior redemption.
Principal Payments:	**2015A Bonds:** Annually, October 1, 2016 through 2030. **2015B Bonds:** Annually, October 1, 2016 through 2021.
Interest Payments:	On each April 1 and October 1, commencing on April 1, 2016.
Tax Exemption:	In the opinion of Co-Bond Counsel as more fully described herein, interest on the Bonds is excludible from gross income for federal income tax purposes, and is not an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. See "TAX EXEMPTION" herein. Interest on the Bonds is not exempt from Wisconsin income or franchise taxes.
Not Bank Qualified:	The Bonds will not be designated as "qualified tax-exempt obligations."

Professional Consultants:	Co-*Financial Advisors:*	Public Financial Management, Inc. Milwaukee, Wisconsin and Independent Public Advisors, LLC Johnston, Iowa
	Co-Bond Counsel:	Quarles & Brady LLP Milwaukee, Wisconsin and Crump Law Firm, LLC Milwaukee, Wisconsin
	Disclosure Counsel:	Quarles & Brady LLP Milwaukee, Wisconsin

Paying Agent/Registrar: Milwaukee County Treasurer's Office.

Record Date: The 15th day of the month preceding each payment date.

Legal Matters: Legal matters incident to the authorization and issuance of the Bonds are subject to the opinions of Quarles & Brady LLP, Milwaukee, Wisconsin and Crump Law Firm, LLC, Milwaukee, Wisconsin, Co-Bond Counsel, as to validity and federal tax exemption. The opinions will be substantially in the form set forth in Appendix B attached hereto. Crump Law Firm, LLC has not participated in the preparation of Official Statement, except for information under the headings "DESCRIPTION OF THE BONDS" and "TAX EXEMPTION". Quarles & Brady LLP has been retained by the County to serve as disclosure counsel to the County with respect to the Bonds.

Conditions Affecting Issuance of Bonds: The Bonds are offered subject to receipt of the unqualified approving legal opinions of Quarles & Brady LLP, Milwaukee, Wisconsin and Crump Law Firm, LLC, Milwaukee, Wisconsin, Co-Bond Counsel to the County.

Book-Entry-Only: The Bonds will be issued as book-entry-only securities through The Depository Trust Company.

No Litigation: There is currently no litigation pending or, to the best of certain County officials' knowledge, threatened, which questions the validity of the Bonds or of any proceedings of the County taken with respect to the issuance or sale thereof.

Limitations on Offering or Reoffering Securities: No dealer, broker, sales representative or other person has been authorized by the County or the Co-Financial Advisors to give any information or to make any representations other than those contained in the Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the County or the Co-Financial Advisors. The Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Questions regarding the Bonds or the Official Statement can be directed to Pamela Bryant, Capital Finance Manager, Milwaukee County Comptroller's Office, 901 North Ninth Street, Room 301, Milwaukee, Wisconsin 53233, (414/278-4396) or Public Financial Management, Inc., 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, (414/771-2700).

DESCRIPTION OF THE BONDS

2015A Bonds – Authorization and Purposes

The Milwaukee County Board of Supervisors (the "County Board") adopted initial resolutions on February 5, 2015 and July 30, 2015 (together, the "Initial Resolutions"), authorizing the issuance of general obligation bonds in an amount not to exceed $60,400,000 for public purposes. The County Board approved the Initial Resolutions by a vote of at least 3/4 of the members-elect of the County Board. The Initial Resolutions authorized not to exceed $5,120,000 of bonds to finance the construction, improvement and maintenance of highways and bridges; not to exceed $5,520,000 of bonds to provide a memorial for soldiers, sailors and marines by financing renovations and improvements at the War Memorial Center; and not to exceed $49,760,000 of bonds to finance the acquisition, construction, improvement, extension and equipping of general capital projects in the County. The 2015A Bonds are being issued in the following amounts for the following purposes: $4,556,782 to finance the construction, improvement and maintenance of highways and bridges; $5,335,000 to provide a memorial for soldiers, sailors and marines by financing renovations and improvements at the War Memorial Center; and $21,763,218 to finance the acquisition, construction, improvement, extension and equipping of general capital projects in the County.

On February 5, 2015, the County Board also adopted a resolution which was amended on July 30, 2015 and September 24, 2015 (as amended, the "2015A Parameters Resolution") establishing the parameters for the sale of the 2015A Bonds and delegating to the Comptroller authorization to approve the sale of the 2015A Bonds, subject to the parameters established by the 2015A Parameters Resolution. On October 14, 2015 the Comptroller is expected to execute an approving certificate confirming that the conditions set forth in the 2015A Parameters Resolution are satisfied and approving the sale of the 2015A Bonds.

2015B Bonds – Authorization and Purpose

On February 5, 2015, the County Board adopted a resolution (the "2015B Parameters Resolution") authorizing the issuance of the 2015B Bonds, establishing the parameters for the sale of the 2015B Bonds, and delegating to the Comptroller authorization to approve the sale of the 2015B Bonds, subject to the parameters established by the 2015B Parameters Resolution. On October 14, 2015 the Comptroller is expected to execute an approving certificate confirming that the conditions set forth in the 2015B Parameters Resolution are satisfied and approving the sale of the 2015B Bonds.

The 2015B Bonds will be issued to refund certain outstanding obligations of the County as described in the table below.

		Refunded Obligations			
Dated	Issue	Maturities Outstanding	Maturities Refunded	Amount Refunded	Call Date
04/01/2006	General Obligation Corporate Purpose Bonds, Series 2006A	2016-2021	2016-2021	$ 15,180,000	11/19/2015

Sources and Uses

The estimated sources and uses of the Bonds are as follows:

Estimated Sources:	2015A Bonds	2015B Bonds	Total
Par Amount	$ 31,655,000.00	$ 14,680,000.00	$ 46,335,000.00
Net Original Issue Premium	781,176.40	705,914.10	1,487,090.50
Total Sources of Funds	$ 32,436,176.40	$ 15,385,914.10	$ 47,822,090.50
Estimated Uses:			
Project Fund Deposit	$ 31,017,709.00	--	$ 31,017,709.00
Deposit for Refunding	--	$ 15,281,200.00	15,281,200.00
Deposit to Debt Service Fund	952,392.40	523.58	952,915.98
Estimated Costs of Issuance	466,075.00	104,190.52	570,265.52
Total Uses of Funds	$ 32,436,176.40	$ 15,385,914.10	$ 47,822,090.50

Security Provisions

The Bonds are general obligations of the County for which the County pledges its full faith and credit and power to levy direct general ad valorem taxes, which taxes may, under current law, be levied without limit as to rate or amount. A direct annual irrepealable tax has been levied upon all taxable property in the County sufficient to pay the principal of and interest on the Bonds.

Optional Redemption

2015A Bonds: The 2015A Bonds maturing on October 1, 2025 and thereafter are subject to prior redemption at the option of the County on October 1, 2024 and any date thereafter at a price of par plus accrued interest.

2015B Bonds: The 2015B Bonds are not subject to prior redemption.

Notice of Redemption

At least thirty (30) days and not more than sixty (60) days prior to the date fixed for any such redemption, notice of such redemption shall be given to the Registered Owners of the Bonds or portions thereof being called for redemption by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository. So long as DTC is the Depository for the Bonds, such notice shall be given only to DTC. The failure to send, mail or receive any notice of redemption shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the prepayment price for the Bonds or the portions thereof which are to be so redeemed, plus accrued interest to the date fixed for redemption. If a portion of any Bond shall be redeemed, a substitute Bond having the same maturity date, bearing interest at the same rate, and in an aggregate principal amount equal to the unprepaid portion thereof, will be issued to the Registered Owner upon the surrender of the Bond being redeemed, all as provided for in the Resolution.

Registration, Transfer and Exchange

The County has initially designated the County's Treasurer to serve as Paying Agent/Registrar for the Bonds. The County may, at any time, at its option replace the County's Treasurer as Paying Agent/Registrar for the Bonds with a bank, trust company or national banking association designated by the County to serve as Paying Agent/Registrar.

The Bonds will be initially registered in the name of Cede & Co., as nominee of DTC. DTC or a successor securities depository will act as the Depository for the Bonds. Individual purchases may be made in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. See "BOOK-ENTRY-ONLY SYSTEM" herein.

BOOK-ENTRY-ONLY SYSTEM

The information contained in the following paragraphs of this subsection "Book-Entry-Only System" has been extracted from a document prepared by DTC entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING DTC AND BOOK-ENTRY-ONLY ISSUANCE." The County makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of the Bonds, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's Ratings Services' rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent/Registrar and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all the Bonds within an issue are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent/Registrar; disbursement of such payments to Direct Participants will be the responsibility of DTC; and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but neither the County nor the underwriters takes responsibility for the accuracy thereof.

RATINGS

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 of a rating could have an adverse effect on the market price of the Bonds. The County and the Co-Financial Advisors undertake no responsibility to oppose any revision or withdrawal of such ratings.

Such ratings are not to be construed as a recommendation of the rating agencies to buy, sell or hold the Bonds, and the ratings assigned by the rating agencies should be evaluated independently. Except as may be required by the Continuing Disclosure Certificate described under the heading "CONTINUING DISCLOSURE" neither the County nor the underwriters undertake responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such rating.

UNDERWRITING

Bids for the Bonds were received at a competitive public sale on October 14, 2015.

Robert W. Baird & Co., Inc. has agreed, subject to the conditions of closing set forth in the Official Terms of Offering for the 2015A Bonds, to purchase the 2015A Bonds at a purchase price of $32,155,101.40 (consisting of the par amount of the 2015A Bonds, plus a net original issue premium of $781,176.40, less an underwriter's discount of $281,075.00), plus accrued interest, if any.

Citigroup Global Markets Inc. has agreed, subject to the conditions of closing set forth in the Official Terms of Offering for the 2015B Bonds, to purchase the 2015B Bonds at a purchase price of $15,366,363.58 (consisting of the par amount of the 2015B Bonds, plus an original issue premium of $705,914.10, less an underwriter's discount of $19,550.52), plus accrued interest, if any.

The Bonds will be offered at the respective initial public offering prices which produce the yields shown on the inside cover page of this Official Statement. After the Bonds are released for sale to the public, the initial public offering prices and other selling terms may from time to time be varied by the underwriters.

CO-FINANCIAL ADVISORS

The County has retained Public Financial Management, Inc., Milwaukee, Wisconsin, and Independent Public Advisors, LLC, Johnston, Iowa, as Co-Financial Advisors (the "Co-Financial Advisors") with respect to the issuance of the Bonds. The Co-Financial Advisors have relied upon governmental officials and other sources to provide assistance to the County. The Co-Financial Advisors have reviewed this Official Statement but have not been engaged, nor have they undertaken, to independently verify the accuracy of such information. The Co-Financial Advisors are not public accounting firms and have not been engaged by the County to compile, review, examine or audit any information in this Official Statement in accordance with accounting standards. The Co-Financial Advisors will not participate in the underwriting of the Bonds.

Requests for information concerning the County may be addressed to Public Financial Management, Inc., 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, (414/771-2700).

LITIGATION

As certified by certain authorized officials of the County, there is no litigation of any nature, either pending or, to the best of such officials' knowledge, threatened, which would affect the issuance and delivery of the Bonds or the levy and collection of taxes to pay the principal and interest thereon, and neither the corporate existence nor the boundaries of the County nor the title of its present or former officers to their respective offices is being contested.

There are lawsuits pending before the Federal District Court, the Seventh Circuit Court, the federal court of appeals and state courts of Wisconsin involving the County, as a body corporate, or naming officers of the County as defendants. Based upon past experience, the Milwaukee County Corporation Counsel does not believe that such litigation will be determined so as to result individually or in the aggregate in a final judgment against the County, which would materially affect the County's financial position; however, as with all litigation, it is difficult to predict exposure to liability until a case is prepared for trial.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinions of Quarles & Brady LLP, Milwaukee, Wisconsin, and Crump Law Firm, LLC, Milwaukee, Wisconsin, Co-Bond Counsel (the "Co-Bond Counsel"), who have been retained by, and act as Co-Bond Counsel to, the County. Crump Law Firm, LLC has not been retained or consulted on disclosure matters, and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement, except for guidance concerning "DESCRIPTION OF THE BONDS" and "TAX MATTERS", or other offering material relating to the Bonds, and assume no responsibility for the statements or information contained in or incorporated by reference in this Official Statement.

Quarles & Brady LLP has been retained by the County to serve as Disclosure Counsel to the County with respect to the Bonds. Although, as Disclosure Counsel to the County, Quarles & Brady LLP has assisted the County with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, and Crump Law Firm, LLC, Milwaukee, Wisconsin, Co-Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Bonds under existing law substantially in the following form:

> "The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Bonds is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The County has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the County comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

CONTINUING DISCLOSURE

In order to assist the underwriters in complying with SEC Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended, as authorized by the Parameters Resolution, the County will enter into a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the County to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access system ("EMMA"), and to provide notices to EMMA of the occurrence of certain events enumerated in the Rule. The terms and conditions of the Continuing Disclosure Certificate, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the County at the time the Bonds are delivered. The Continuing Disclosure Certificate will be in substantially the form attached hereto as Appendix C.

During the past five years, the County has failed to file its annual financial information as required in accordance with the Rule. Specifically, under previously executed continuing disclosure certificates, the County was and is obligated to file annual reports containing financial information and operating data no later than 270 days after the end of each fiscal year, as well as notice of any inability or failure to file such annual reports by the required date. For years ended December 31, 2009, 2010 and 2011, not all of the required information was filed within the 270-day period and no notice of any such failure to file on time was sent to EMMA, as further described below:

1. **For Year Ended December 31, 2009**: The financial information portion of the annual report (the County's 2009 CAFR) was filed by the County on EMMA on December 4, 2012. The operating data portion of the annual report was filed by the County on EMMA for its Airport Revenue Bonds on September 2, 2014 and for its general obligation and pension appropriation debt instruments on September 10, 2014. However, updated operating data with respect to the County's Airport Revenue Bonds was included in the official statement for the County's 2010A and 2010B Airport Revenue Bonds issues, which was posted to EMMA on October 8, 2010. Similarly, operating data with respect to the County's general obligation and pension appropriation debt instruments was included in the official statement for the County's 2010C and 2010D general obligation issues, which was posted to EMMA on December 20, 2010.
2. **For Year Ended December 31, 2010**: The operating data portion of the annual report was filed by the County on EMMA for its Airport Revenue Bonds on November 21, 2011, and for its general obligation and pension appropriation debt instruments on December 12, 2011. The financial information of the annual report (the County's 2010 CAFR) was filed within the 270-day period by the County on EMMA on August 23, 2011.

One item of operating data (i.e., Five-Year Capital Improvement Program) was inadvertently omitted from the County's operating data portion of its annual report filings for 2009, 2010 and 2011. The County filed an operating data filing with the required five-year capital improvement programs on January 4, 2013.

As such, for each of these years, the County was late in filing all or a portion of the County's annual report on EMMA, no notices of failure to file on time were sent to EMMA, and all required information was subsequently filed.

In 2010, both Moody's and Fitch engaged in a recalibration of certain U.S. municipal (i.e., public finance) ratings. The intent of the recalibrations was to provide a greater degree of comparability across the respective rating agency's portfolios of credit ratings. Both rating agencies stated that the recalibrations did not reflect an improvement in credit quality or a change in credit condition for the municipal issuers. Because of the global nature of the 2010 rating recalibrations, the County did not file material event notices on EMMA at the time of the rating recalibrations.

Prior to 2008, certain general obligation (base CUSIP 602245) and airport revenue (base CUSIP 602248) issues of the County were issued contemporaneously with a municipal bond insurance policy for the benefit of the owners of such obligations. At the time of the issuance of the respective debt issues, the insurance company's rating was higher than the underlying rating of the County's credit. Subsequently, all of the companies that provided insurance policies on the County's obligations received downgrades by the three major rating agencies to the point where none of the insurance companies had a rating higher than that of the County. This created a situation where the County's underlying credit rating was the prevailing credit rating and not that of the insurer with respect to the insured obligations of the County. Because neither the rating agencies nor the bond insurers notified the County of the respective insurer rating downgrades, the County did not file material events notices on EMMA at the time of the rating changes.

The County filed a notice for the rating recalibrations and insurer downgrades with the MSRB on September 30, 2014. The County filed this notice as a technical clarification and has not made a determination that the rating changes described above were material.

In recognition of the importance of complying with its obligations under the County's continuing disclosure certificates, the County implemented procedures in early 2013 to help ensure future compliance. The County has strengthened its internal controls by placing debt issuance and the associated disclosure requirements under the direct supervision of the Office of the Comptroller of the County.

A failure by the County to comply with the Continuing Disclosure Certificate will not constitute an event of default on the Bonds or under the respective Bond Resolutions (although owners of the Bonds will have the right to obtain specific performance under the Continuing Disclosure Certificate). Nevertheless, such a failure must be reported in accordance with the Rule.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Bonds are outstanding, in a way that would allow the County to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the County to file for relief under Chapter 9. If, in the future, the County were to file a

bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the County could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the County is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the County could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds could be viewed as having no priority (a) over claims of other creditors of the County; (b) to any particular assets of the County, or (c) to revenues otherwise designated for payment to holders of the Bonds.

Moreover, if the County were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Bonds would not occur.

CERTIFICATION

As of the date of the settlement of the Bonds, the underwriters will be furnished with a certificate signed by the Comptroller or his designee. The certificate will state that, as of the date of the Official Statement, the Official Statement did not and does not, as of the date of the certificate, contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

The remainder of this page is left blank intentionally

COUNTY GOVERNMENT

General

The County is located in southeastern Wisconsin on the Lake Michigan shoreline. The County covers an area of approximately 242 square miles and consists of ten cities and nine villages. The City of Milwaukee, which is the County seat, contains approximately 63 percent of the County's population and 48 percent of its taxable property value. The County serves as the population, economic and financial center of the state.

The County was first incorporated in 1835 by the Michigan Territorial Government. In 1837, territory was removed by the Wisconsin Territorial Legislature. Nine years later, territory was removed again, and the County attained its present size.

Government and Administration

The County is governed by a County Executive and an 18-member County Board of Supervisors. The County Executive and the County Board are elected on a nonpartisan basis to four-year terms. As further described below, beginning with elections held in 2016, the term of an elected County Board member will be two years. Each supervisor is elected from a district with an average population of approximately 53,000. In addition, six constitutional and two statutory officers are elected on a partisan basis to serve four-year terms as shown below.

County Officials
(Year sworn into office follows name)

County Executive*:*	**Chris Abele (2011)**
County Clerk:	*Joseph J. Czarnezki (2009)*
Register of Deeds:	*John La Fave (2003)*
Treasurer:	*David Cullen (2014)*
Clerk of Circuit Court:	*John Barrett (1999)*
Sheriff:	*David A. Clarke, Jr. (2002)*
District Attorney:	*John T. Chisholm (2007)*
County Comptroller:	*Scott Manske (2012)*

Board of Supervisors
Theodore Lipscomb, Sr. - Chairman (2008)
Peggy West - 1st Vice Chairperson (2004)
Steve Taylor- 2nd Vice Chairperson (2012)

Deanna Alexander (2012)	*Michael Mayo, Sr. (1994)*
Mark A. Borkowski (1992)	*Supreme Moore Omokunde (2015)*
Gerry P. Broderick (2002)	*Khalif Rainey (2013)*
Eddie Cullen (2015)	*James J. Schmitt (1998)*
Marina Dimitrijevic (2004)	*Anthony Staskunas (2013)*
Jason Haas (2011)	*Martin Weddle (2014)*
Willie Johnson, Jr. (2000)	*John F. Weishan, Jr. (2000)*
Patricia Jursik (2007)	

Wisconsin 2013 Act 14: 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 of Supervisors of the County (the "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 intergovernment 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 placed limitations on the annual salaries of the Milwaukee County Board Chairperson and Milwaukee County Board Supervisors. The referendum was approved by a vote of 47,588 (70.2%) to 20,182 (29.8%).

County Executive's Office

The County was the first county in the state of Wisconsin to establish an executive branch. The following five cabinet officers are appointed by the County Executive to assist in carrying out these executive functions**:**

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

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

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

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.

Legislative

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

The 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.

The standing committees of the County Board meet periodically and make recommendations to the County Board, which formally approves, modifies or disapproves those recommendations. Standing committees include:

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

Financial Management

Budgeting. The County has an executive budget process for the preparation of the annual operating and capital budgets. The Office of Performance, Strategy and Budget is located within 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 Office of Performance, Strategy and Budget 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. A summary of the County's budgets for 2014 and 2015 is presented on page 50 of this Official Statement.

The Comptroller's Office monitors the accounting policies and procedures followed by County departments. The County's accounting records for governmental and agency funds are maintained on a modified accrual basis of accounting. Under this method, revenues are recorded when measurable and available; expenditures are recorded when the goods or services are received and the liabilities are incurred. The County's accounting records for proprietary funds and the pension trust funds of the County are maintained on an accrual basis of accounting. Under this method, revenues are recorded when the services are performed; expenditures are recorded when the goods or services are received and the liabilities are incurred. For a further discussion of accounting policies in the County, see the "The County's Annual Financial Statements" contained in Appendix A.

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended December 31, 2013. The Certificate of Achievement recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, with contents conforming to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for 35 consecutive years (December 31, 1979 through December 31, 2013).

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. If new encumbrances or expenses would reduce the net appropriation balance below the authorized limits, then purchases 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.

A summary of the operating results for the general fund and all proprietary funds for the years 2010-2014 is presented on pages 48 and 49 of this Official Statement. The County's 2014 financial statements are included as Appendix A. The County realized a surplus of $24.6 million for the fiscal year ended on December 31, 2014. Of that amount $19.6 million was transferred to the Debt Service Reserve (see "Debt Administration" herein). The

County applied the remaining $5.0 million surplus from 2014 to the subsequent budget year (2016), in accordance with State Statutes.

Future Fiscal Outlook. Each year, a workgroup made up of administrative and departmental staff, along with external experts, develops a consensus-based five-year forecasting model to better understand the structural deficit facing the County.

Results of this year's forecast indicate an ongoing structural deficit that improves slightly from five-year forecasts issued in prior years although the projection for 2016 has worsened since last year. The main findings of the report include:

- The projected gap for the 2016 budget is approximately $26.2 million. Key assumptions contributing to the gap in 2016 include a substantial increase in the pension contribution, an anticipated reduction in State shared revenue for the County's share of Bucks arena funding and elimination of the contribution from reserves. Offsetting these increases is a significant drop in annual healthcare costs, forecasted increases in property tax levy, and increased revenues from sales tax and employee pension contributions.

- The County's projected structural deficit for 2016 has worsened from the previous five-year forecast. The previous five-year forecast projected a structural deficit of $15.8 million for 2016, assuming that the 2015 structural deficit was resolved with long-term sustainable solutions. The current forecast is projecting a structural deficit of $26.2 million for 2016 based on the increase in the County pension contribution and an anticipated reduction in State shared revenue for the County's share of Bucks arena funding, as well as the one-time contribution from reserves budgeted for in 2015.

- Long-term, the fiscal outlook of the County has improved. The previous five-year forecast predicted a gap of $93.8 million by 2019, assuming no long-term, sustainable solutions to prior year deficits. The current forecast predicts a gap of $58.8 million by 2019 and $74.7 million by 2020.

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, 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 all non-public safety unions. 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 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, subject to pending litigation, has 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 remained a negotiable item for public safety unions, as of this date, those public safety unions have agreed in their contracts to contribute one-half of the ARC. Thus, all employees are now making this contribution. Other changes to the pension benefits include an increase in the normal retirement age from age 60 to age 64 for nonrepresented employees hired after January 1, 2010, 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.

Multiple legal challenges were filed following adoption of Acts 10 and 32 by the State and following the County's adoption of the changes in health and pension benefits referenced above. All such legal challenges have been resolved in favor of the State and the County by either Federal Appeals Courts or by the Wisconsin Supreme Court, with the exception of the following case that remains pending.

The Milwaukee District Council 48 of AFSCME ("DC48") filed suit in Milwaukee County Circuit Court related to the criteria for eligibility to retire. By pre-Act 10 collective bargaining agreement, DC48 members hired prior to January 1, 1994 are eligible for normal retirement when the sum of their age and years of creditable pension service equals or exceeds 75 (the "Rule of 75"). By pre-Act 10 ordinance, employees not represented by a union hired prior to January 1, 2006 are eligible to retire under the Rule of 75. DC48 claims that when the State legislature adopted Act 10, prohibiting bargaining over pension benefits, among other things, DC48 members became unrepresented for purposes pension benefits and the Rule of 75. Thus, DC48 alleges that all DC48 members hired prior to January 1, 2006 who are still in active county employment are eligible to retire utilizing the Rule of 75. The suit was stayed for a lengthy period of time while litigation existed over the legality of Act 10. The parties now expect to file motions for summary judgment in late 2015 to resolve the case, subject to appeal. If the court rules in favor of DC48, a substantially larger number of active DC48 employees will be eligible to retire earlier than otherwise, resulting in increased pension liabilities and consequently increased pension contribution costs to the County and to employees.

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 Auditing Standards.

Additionally, the Audit Services Division has contracted 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, for the year ended December 31, 2014. These audits were 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.

The County's audited financial statements for the year ended December 31, 2014, including the report of the independent public accounting firm thereon, are presented in Appendix A.

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 that aim to limit the amount of corporate purpose bonds issued by the County to finance capital projects. Under this policy, the County endeavors to limit corporate purpose bond issuance to an increase of no more than 3 percent over the preceding year's adopted bond amount. 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.

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

The County maintains a Debt Service Reserve, which is funded with cash and unused bond proceeds. Under the County's budget policies, permitted uses of the Debt Service Reserve include providing cash financing for one-time capital projects or for one-time operating items that result in improved County service and/or reduced ongoing County costs in future years, providing cash financing for refinancing of debt and responding to public emergencies, in addition to reducing taxpayer costs for debt service. The bond proceeds are used to finance other eligible capital improvement projects and to pay interest on bonds. As of August 2015, the balance in the Debt Service Reserve is $25.5 million.

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 July 2014, the County adopted Resolution 14-569 that put in place recommendations from the County Deputy Treasurer to improve the County's investment policies. The adopted guidelines are intended to be broad enough to allow the Milwaukee County Treasurer to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

The primary objectives, in priority order, of investment activities will be:

1. Safety of principal in order to ensure the preservation of capital in the overall portfolio.
2. Sufficient liquidity to meet all operating requirements that may be reasonably anticipated.
3. Attainment of a market rate of return that takes into account the investment risk.
4. Support of local financial institutions to the maximum extent possible.

The following are the authorized investments consistent with Wisconsin State Statutes, Milwaukee County Ordinances, and the Government Finance Officers Association Policy Statement on Local Laws Concerning Investment Policies:

1. Time and other money market deposits of banks, trust companies, savings and loans, and credit unions.
2. U.S. Treasury obligations, government agency securities, and Government Sponsored Enterprise (GSE).
3. Municipal Securities including general obligation bonds, essential service bonds, rates AA or higher, or securities of any county, city, drainage, vocational, technical and adult education district, village, town, or school district of the State of Wisconsin.
4. State of Wisconsin Investment Board's Local Government Investment Pool.
5. Repurchase Agreements. Investment agreements pursuant to which a federal or state credit union, federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank, or national bank in the State of Wisconsin agrees to repay funds advanced to it by the issuer, plus interest.
6. Corporate securities. Issued by private corporations, these securities must be rate in the highest or second highest rating category by Standard and Poor's Corporation, Moody's Investors Service, some other Nationally Recognized Statistical Rating Organization (NRSRO), or senior to or on parity with a security of the same issuer which has such a rating.

7. Commercial paper, which may be tendered for purchase at the option of the holder within not more than 270 days of the date acquired as permitted by Wisconsin Statutes. These securities must be rate in the highest or second highest rating category by Standard and Poor's Corporation, Moody's Investors Service, some other Nationally Recognized Statistical Rating Organization (NRSRO), or senior to or on parity with a security of the same issuer which has such a rating.
8. Money Market funds. Open-ended Money Market funds restricted to investments permitted in Wisconsin Statutes, limited to a maximum average maturity of 60 days or less.

Services Provided by the County

Health and Human Services. This functional area consists of the Department of Health and Human Services, the Department on Aging and the Department of Family Care. In combination, operating revenues support 85.9 percent of expenses in these departments. In April 2014, Wisconsin Act 203 became effective which removed all mental health jurisdiction from the County Board; and put it under the jurisdiction of the Mental Health Board (MHB). A detailed narrative of the Act 203 is included in the next section.

The Department of Health and Human Services (the "DHHS") provides a wide range of life-sustaining, life-saving and life-enhancing services to children and adults through age 60. Programs serve specific populations such as delinquent youth; persons who are developmentally, physically or mentally ill; and the homeless. Many DHHS services are mandated by State Statute and/or provided through a contract between the state and the County. The DHHS consists of five service areas including the divisions of (i) Delinquency & Court Services, (ii) Disabilities Services, (iii) Housing, (iv) Director's Office and Management Services, and (v) Behavioral Health.

Delinquency & Court Services Division ("DCSD") consists of Administration, Court and Custodial intake services, Community-based Alternative Programming, and the Juvenile Detention Center, primarily housing juveniles pending a court hearing or those deemed out of compliance with supervision conditions. Administration provides administrative oversight, clerical support, grant coordination and quality assurance to all DCSD program areas. Community-based Alternative Programming administers a variety of services and programs intended to divert youth from court and/or juvenile corrections and provide for public safety. Juvenile justice programs and services are provided to alleged and adjudicated delinquent youth, which include pre-disposition secure and non-secure out-of-home placements and monitoring, court diversion supervision and services, post-dispositional placements and services and supervision and Community-based programs.

The Disabilities Services Division ("DSD") provides services to adults with special needs between the ages of 18 and 59 and to children with disabilities and their families. Services are to persons with physical and intellectual disabilities. A wide variety of services are provided or purchased, including case management for children with disabilities, work and day services, and community support. Many of these services enable persons to live in the community and avoid institutional placements. The DSD 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. In addition, DSD has also assumed responsibility for the Interim Disability Assistance Program and the General Assistance burials programs that were previously housed in the Economic Support Division prior to the state takeover. In addition, the DSD provides a broad range of services to children with disabilities and their families. They include an early intervention program for infants Birth to Three, intensive autism services benefit, Family Support Program and a children's long term support program.

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.

The Director's Office and Management Services Division oversees the Energy Assistance Program and 211 Impact, which is a referral service for individuals in need of social services. These programs were previously housed in the Economic Support Division prior to the state takeover.

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 the Family Care Program.

Milwaukee County was one of the original pilot counties for Family Care in 2000. The Managed Care Organization ("MCO") was administered at that time by the Milwaukee County Department on Aging the program served eligible members age 60 and older. Per the terms of the contract with the State Department of Health Services ("DHS"), all MCOs must operate separately from the Aging and Disability Resource Centers. Since it is the responsibility of the Resource Centers to objectively inform persons in need of long-term care about the options available to them if choosing a managed care organization that can best address their needs, 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 of Family Care (now called My Choice Family Care or "MCFC") administers the Family Care benefit for both the aging (over age 60) and disabled populations (ages 18-59) who are determined to be eligible by a Resource Center. MCFC is responsible for creating a comprehensive plan of care for each client; contracting with a wide range of service providers; and monitoring the quality of services that clients receive. MCFC 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 MCFC receives a capitated rate payment per member per month from the State.

Wisconsin 2013 Act 203: On April 10, 2014 Wisconsin Act 203 ("Act 203") relating to the County became effective. Act 203, among other things, removed all mental health jurisdiction from the County Board; and put it under the jurisdiction of the Mental Health Board (MHB). The MHB is appointed by the Governor with suggestions coming from the County Executive and the County Board. There are also two ex officio members: (i) the Chairperson of the County Community Based Programs Board or designee, and (ii) Chairperson of the Milwaukee Mental Health Task Force or designee.

The MHB jurisdiction applies to the Behavioral Health Division ("BHD") of the Department of Health and Human Services. BHD includes: Management and Support Services, Adult Crisis Services, Inpatient Services (Adult & Children), Inpatient (Rehab Central), and the Community Access to Recovery Services Division, which manages a network of community providers of mental health and Alcohol and Other Drug Treatment services. Rehab Central is scheduled to close at the end of 2015. The total 2015 Budgeted tax levy for the BHD is $59 million with 616 full time equivalent positions

Beginning with the 2015 Budget, the Milwaukee County mental health budget will be proposed by the MHB and recommended by the County Executive. The proposed levy must be between $53 and $65 million unless all three parties agree to an amount outside of this range.

The MHB does not have direct bonding authority. Capital projects could be paid from current operating revenues. The County Board could offer to make its authority available so that MHB projects could be bonded through the County.

The State was required to perform an audit by December 1, 2014, that includes recommendations for the State assuming oversight responsibility for emergency detention services and the psychiatric hospital of the Milwaukee County Mental Health Complex, developing a plan for closing the Milwaukee County Mental Health Complex, and developing a plan for State oversight of a regional facility for institutional, impatient, crisis and behavioral health services, among other things.

The State Department of Health Services (DHS) contracted with Deloitte Consulting to provide the assessment. On November 26, 2014, Deloitte provided an assessment that included twelve findings that summarize the current system of mental health service delivery in Milwaukee County. The assessment identifies several areas where differences in State law, the processes used in assessing individuals in need of mental health services, and the role of community programs create unique challenges for Milwaukee County in delivering mental health services.

The State DHS offered four recommendations to improve mental health service delivery system in the County:

1. Consider statutory changes to align the emergency detention process in the County with the process in other counties in the State.
2. Require community based crisis services prior to emergency detention.
3. Strengthen community based mental health services.
4. Implement reforms and policies that reduce inpatient utilization in the County, and over time, transition the County inpatient treatment model to deliver services in the most efficient and cost effective setting.

By March 1, 2016, the MHB is to report to the State, the County Executive, and the County Board on alternate funding sources for mental health services and programs.

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. As a group, operating revenues support 47.6 percent of expenses relating to Parks, Recreation and Culture.

Milwaukee County Parks consist of 15,316 acres, encompassing 156 parks and parkways, and is used for both active and passive recreation. Sport and recreational opportunities are open to County residents and visitors alike.

Active recreational opportunities are offered throughout Milwaukee County. The Oak Leaf Trail, a paved multi-use trail 117 miles in length, encircles and loops through the county and connects all major parks and parkways of the Park System. Fifteen golf courses take a player from beginner- to professional-level challenges. An indoor ice arena, sports complex, indoor and outdoor aquatic facilities, and athletic fields and facilities—from baseball diamonds to volleyball courts—ensure plenty of opportunities for residents and visitors to become more active. In winter, frozen lagoons, snow-covered hills, and groomed trails provide recreational outlets. The refrigerated rink in Red Arrow Park, provides winter activity no matter what the weather.

A mix of active and passive recreational opportunities is offered through the two community centers. From indoor basketball and boxing to homework help and movie nights, programming at the community centers focuses on the needs of the community.

More passive activities also draw people to the Parks. Roughly 9,100 acres of parkland are managed as natural areas. These areas provide not only solace in a hectic world, but ample opportunity for wildlife watching, birding, and educational opportunities. Additional public educational opportunities, for area schools as well as individuals, are offered through Boerner Botanical Gardens, the Mitchell Park Horticultural Conservatory, and Wehr Nature Center. Lake Michigan also provides passive recreational opportunities. Fishing and boating include access to the only public marina in the area, and in summer, Bradford Beach brings out the sunbathers.

Special events planners seeking beautiful venues look no further than the Milwaukee County Parks. Large green spaces, ample parking, and the concessions planning of the department, help event planners create successful events such as the Third of July Fireworks or the Komen Race for the Cure.

The *Zoological Department* operates the Milwaukee County Zoo (the "Zoo"), which is situated on 200 acres with approximately 465,124 square feet of facilities. Exhibits at the Zoo include the Family Farm, a working farm and dairy complex; the Peck Welcome Center; the Sea Lion and Polar Bear exhibit; the Aviary; the Australian Building; the Apes of Africa exhibit; the Education Facility; the Lake Evinrude Deck; the Primate Building; the Aquarium/Reptile Building; the Animal Health Center; the Big Cat Country building; Flamingo Exhibit and Overlook; the Wolf Woods exhibit; the Humboldt Penguins exhibit; Pachyderms and Hippo building and exhibit; and the Special Exhibits Building. Other Zoo facilities/attractions include a chairlift, a railroad, a carousel, zoomobile tours, zipline and rope courses, kids play areas and the Gathering Place. Zoo attendance in 2014 was 1,267,356 visitors.

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

MPM hosts international exhibitions annually, and had attendance of approximately 430,000 for the fiscal year ending August 2015. The MPM also operates an IMAX theater and the Daniel M. Soref Planetarium to provide additional educational programming. Through its distant learning program, the museum provides remote educational programs to students throughout the region, the County, and around the world.

Financial difficulties resulted in a financial restructuring of the MPM in 2005. At that time, the County guaranteed a $6 million working capital loan on behalf MPM. In February 2008, the note and line of credit were fully paid off by contributions received by MPM, which effectively eliminated this guarantee. In May 2007, major MPM stakeholders consented to a comprehensive agreement that intended to restore the MPM to long-term financial viability. At that time, the County committed to fixing the level of operational funding to $3.5 million per year for ten years (2008 – 2017) and funding a minimum of $4 million over five years (2008 - 2012) for capital improvement projects at MPM. The County's capital improvement funding obligation was completed in 2012.

In January 2013, MPM briefed County policy makers in regard to potential cash flow issues resultant from the required pension payment due in September of 2013. The pension payment is specific to former County employees (who worked for the Museum when it was a department of the County) that accepted positions with MPM when the County entered into a lease and management agreement for Museum operations in March of 1992. Additionally, policy makers were briefed on discussions occurring between MPM and County staff to address short-term cash flow issues and the long-term sustainability of MPM. In June 2013, the County entered into a long-term agreement with MPM. The County agreed to contribute (contingent upon MPM securing an equal amount of donor commitments) $3,000,000 to MPM for the defined benefit plans of former County employees. Additionally, the County extended its commitment to operational funding through the calendar year 2022. The extended commitment starts at the current level of $3,500,000 in 2014 and incrementally decreases to $3,000,000 in 2022. The County contribution is contingent upon MPM meeting or exceeding certain operational and financial goals. These goals include donor commitments, annual attendance, and fiscal performance goals.

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 2015 is $1.09 million.

2015 Wisconsin Act 60. On August 13, 2015, Wisconsin Act 60 ("Act 60") was published. Act 60 relates to constructing a sports and entertainment arena and related facilities and making appropriations. Section 115(1) of Act 60 included the unencumbered transfer of the Marcus Center for the Performing Arts (the "Property") from the County to the Wisconsin Center District.

The transfer of the Property shall take effect upon the adoption of a resolution requesting the transfer by the board of directors of the Wisconsin Center District under section 229.41 of the *Wisconsin Statutes* and a written proclamation of the Milwaukee County Executive supporting the transfer, not-withstanding any policies issued, ordinances enacted, or resolutions adopted by the Board to the contrary. The transfer may take place without the approval of the Board.

Transportation. The Department of Transportation and Public Works administers two County airports; the transit/paratransit system; transportation planning and engineering services; highway maintenance; and fleet management. Operating revenues account for 91.6 percent of the department's expenses.

The Airport Division operates General Mitchell International Airport ("GMIA") and Lawrence J. Timmerman Airport. Operating expenses of both airports are entirely supported by user fees.

GMIA is a modern air transportation center of 2,386 acres located six miles south of the City of Milwaukee's central business district. Nine airlines provide approximately 125 daily departures from GMIA. Approximately 39 cities are served non-stop, and connections are available to 160 cities throughout the world. A total of 6,554,152 passengers used GMIA in 2014.

The first Federal Aviation Administration (the "FAA") FAR Part 150 Noise (Abatement) Study for GMIA was approved in 1993 by the FAA. GMIA implemented many of 1993 FAR Part 150 Noise Study recommendations including a Residential Noise Mitigation Program, which benefited approximately 1,477 homes, one nursing home, and six schools. In March 2008, GMIA submitted a FAR Part 150 Noise Study Update to the FAA which the FAA approved in June 2009.

The noise study update included a request for FAA funding to reduce noise impacts to an additional 560 dwellings through continuation of the sound insulation element originally identified in the 1993 GMIA FAR Part 150 Noise (Abatement) Study. Sound insulation of all of the eligible dwellings will be completed in 2015.

The Lawrence J. Timmerman Airport is located in the northwest quadrant of the County. This 420-acre general aviation facility serves business and privately owned aircraft. For a discussion of debt related to the airports, see "DEBT STRUCTURE – Airport Revenue Debt" and "DEBT STRUCTURE – Other County Obligations."

The Milwaukee County Transit System has an active bus fleet of 409 buses serving 58 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). A bus replacement program has provided 145 new buses since 2012. 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.

MCTS is operated by Milwaukee Transport Services, Inc., a quasi-governmental instrumentality of Milwaukee County that is responsible for the management and operation of the transit system.

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 Division 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.

Courts and Judiciary. The Courts and Judiciary function includes the Department of Combined Court Related Operations, Pretrial Services Division, and the Department of Child Support Services. State and other non-tax revenues support approximately 43.7 percent of the County's cost of the Courts and Judiciary function.

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, conservatorship, protective placements, involuntary commitments, temporary restraining orders and injunctions in individuals at risk cases.

The County-funded State Court Services consists of three sections: the Chief Judge and the Clerk of Circuit Court. The Clerk of Circuit Court includes the following divisions: Administration, Criminal, Civil, and Children's. 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 maintains the records, books and files of the Circuit Courts, Civil, Family, Criminal and Children's Division; prepares the daily court calendar; and processes all cases. Eligible jurors are also summoned by the Clerk of Circuit Court.

The Pretrial Services Division, which is managed by the Chief Judge of the Milwaukee County Circuit Courts and the Judicial Review Coordinator, provides evidence-based programs designed to reduce pretrial failure to appear and re-arrest, enhance public safety, reduce overcrowding at the Criminal Justice Facility ("CJF") and House of Correction ("HOC") and enhance the processing and adjudication of criminal cases.

The Pretrial Services Division provides evidence-based programming for criminal justice involved individuals. This department includes funding for the Universal Screening program, which provides pretrial risk assessments for individuals who are booked into the CJF and subject to bail. The resulting information is used to aid judicial officers in determining bail and release conditions, and to determine an individual's preliminary eligibility for Early Intervention programming. In addition to Universal Screening, funding is included for Pretrial Supervision, Pretrial GPS Monitoring, Repeat Intoxicated Driver Intensive Supervision program, Central Liaison Unit ("CLU") Diversion monitoring, CLU Deferred Prosecution Agreement monitoring, Treatment Alternatives and Diversion Program, drug testing, Secure Continuous Remote Alcohol Monitoring, release preparation, and the Drug Treatment Court Coordinator.

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

Public Safety. The Public Safety function includes the Office of the Sheriff, the House of Correction ("HOC"), the District Attorney, the Department of Emergency Management and the Medical Examiner. For 2014, budgeted operating revenues support approximately 15.2 percent of the costs of these departments.

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 three divisions: Administration Bureau, Police Services Bureau and Detention Services Bureau.

The Administration Bureau performs management and support functions for the Sheriff, communications, training and public information. Included in these duties are leadership, personnel management, preparation of the annual

budget, fiscal monitoring, and accounting functions. Also included in this bureau is the Internal Affairs Division, which investigates all incidents involving Sheriff's Office personnel.

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.

The Detention Services Bureau includes the 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 Sheriff has the authority to request transfer of inmates between the CJF and HOC from the Superintendent of the HOC in order to maximize the use of available bed space.

The 2013 budget transferred the management of the HOC from the Office of the Sheriff to the Executive Branch of County government, under an appointed Superintendent. Effective, May 7, 2013 the Superintendent took control of the facility.

The functions of the HOC are defined in Chapters 302, 303, 304 and 973 of the *Wisconsin Statutes*. This institution: receives and maintains custody of all sentenced inmates in Milwaukee County committed by authorized courts for periods not exceeding one year per conviction and from other jurisdictions as authorized by County ordinance; provides programs of work release, community service, personal growth, education, work readiness and job training/certification and AODA as well as cognitive services and treatments; 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 HOC also operates a program of home detention using electronic surveillance equipment and other systems of control. The HOC also includes the funding for the Day Reporting Center ("DRC") where sentenced inmates and those completing deferred prosecution agreements can obtain a GED, enhanced education skills, personal growth, job training and employment obtainment services as well as participate in AODA treatments/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 all specialized felony courts; Juvenile Division staff are responsible for the Children's Court of Milwaukee County; and the Community Prosecution Unit supervises community prosecutors in six Milwaukee police district stations and the Domestic Violence Unit, which 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, investigates 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 insure that witnesses who are threatened or intimidated are able to safely appear and testify in court and 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 Department of Emergency Management was created as part of the 2014 Adopted Budget. The emergency management and communications service areas from the Office of the Sheriff were transferred to the Department of Emergency Management. The mission of the Department of Emergency Management is to provide a

comprehensive and integrated emergency management system that coordinates County and municipal resources to ensure proper management of and response to natural and man-made disasters. This department coordinates and assists the municipalities and various County departments in preparation of emergency plans, as well as the management of public safety communications for the County. The Department of Emergency Management includes four program areas: Emergency Preparedness, Communications, Radio Services, and Emergency Medical Services.

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

General Governmental Services. The General Governmental Services group includes the County Treasurer, the County Clerk, the Register of Deeds, and the Office of the Comptroller[1] and an Election Commission. As a group, budgeted operating revenues support 66.5 percent of the costs of these departments.

The County Treasurer traditionally produces revenues in excess of expenditures because interest on delinquent property taxes is included in this operating budget. The interest and penalties for 2014 was approximately $3.7 million; the 2015 budget projects a decrease in the number of properties on which taxes are delinquent and a corresponding decrease in interest and penalties compared to the 2014 actual amount.

The Register of Deeds collects revenues in two areas: general recording fees and real estate transfer fees. Both of these revenues are driven by real estate sales. As home sales have decreased, estimates of both general recording fees and real estate transfer fees have declined.

The County Clerk records the proceedings of the County Board of Supervisors, maintains all legislative files, staffs County Board meetings and committees, updates existing ordinances and publishes now ordinances online. The County Clerks issues marriage licenses and domestic partnership declarations, registers all lobbyists, and serves as the information clearing house for Milwaukee County. The County Clerk also serves as the Executive Director of the Milwaukee County Board of Election Commissioners.

In April 2014, Wisconsin Act 373 moved the duties of the appointed election commissioner for Milwaukee County under the Milwaukee County Clerk. Formerly a County Board of election commissioners appointed the executive director.

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.

Administration. The Administrative function includes the Department of Administrative Services, Human Resources, Corporation Counsel and boards and commissions such as the Personnel Review Board, Civil Service Commission and Ethics Board. As a group, operating revenues support 81.4 percent of expense for administrative functions.

The Department of Administrative Services is responsible for a variety of governmental functions. The various divisions provide services for other departments including information management, risk management, human resources, labor relations, administration and financial oversight, procurement, and employee benefits.

---

[1] A discussion of the functions of the Office of the Comptroller are included in the Financial Management Section of the Official Statement.

The Department of Labor Relations was administratively transferred into the Department of Human Resources effective July 2013. The Department has general responsibility for the negotiation and administration of all collective bargaining agreements, and the implementation on behalf of the County of all procedures ordered by the Wisconsin Employment Relations Commission, the U.S. Department of Labor or the Wisconsin Department of Workforce Development. Labor Relations receives its policy direction for collective bargaining from the County Executive.

The County has 4,383 funded full-time equivalent employee positions budgeted in 2015. This count represents the number of actual positions funded in the Adopted Budget. Departments may also budget salary dollars for special premiums, salary adjustments, shift differentials, overtime or vacancy and turnover, which modify the overall funded count. By including the aforementioned salary dollars, the funded full-time equivalent is 4,460 employees. The number of individuals actually employed by the County fluctuates on a seasonal basis. When Wisconsin Act 10 was enacted in July 2011, certified non-public safety bargaining units were required to go through a re-certification process. Five (5) County Non-public safety bargaining units have been re-certified. Milwaukee District Council 48, AFSCME, AFL-CIO did not go through the re-certification process, and was de-certified on January 30, 2012. The total membership of AFSCME at the time of decertification was approximately 2,800. As of August 24, 2015, approximately 16 percent of all individuals employed by the County were organized and represented by labor organizations as described below.

Union	Approximate Number of Employees Represented	Contract Expiration Date
Milwaukee Deputy Sheriff's Association [2]	242	12/31/2014
Federation of Nurses and Health Professionals, Local 5001, AFT, AFL-CIO	176	12/31/2015
Milwaukee Building and Construction Trades Council, AFL-CIO	75	12/31/2015
Association of Milwaukee County Attorneys	51	12/31/2015
Technicians, Engineers and Architects of Milwaukee County	38	12/31/2015
Milwaukee County Firefighters Association [3]	17	12/31/2014
Total Represented Employees	599	

The Employees' Retirement System of the County of Milwaukee. The Employees' Retirement System of the County of Milwaukee (the "ERS") was established in 1938 and is a single-employer defined benefit pension plan. Employees who were enrolled in the ERS prior to 1971 receive contributions to their member accounts by the County, which is presently less than $15,000 a year. For all other members, the ERS was substantially noncontributory until 2011. In that year, employees were required under State Statute to begin contributing half of the actuarially determined ARC to the ERS. Public safety employees were specifically exempted from this requirement, but in 2012, the Milwaukee Deputy Sheriffs' Association agreed to pay one-half of the ARC. The Milwaukee County Firefighters Association began making contributions in 2014.

The Board of Trustees of ERS has the responsibility for the overall performance of the ERS. The Board is the fiduciary of the ERS 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. Information regarding ERS can also be obtained at: http://county.milwaukee.gov/Retirement. Such information is prepared by the entity maintaining such website, and no such information is incorporated herein by this reference.

[2] Negotiations are ongoing with the Milwaukee Deputy Sheriff's Association.

[3] A tentative agreement has been reached with the Milwaukee County Fire Fighters Association and is awaiting a final approval from the Board.

County Contribution

The ERS financing objective is to fully fund all current costs based on the normal contribution rate determined under the Aggregate Entry Age Normal Cost Method and to liquidate the unfunded accrued liability based on the amortization schedules as required by the retirement code. The outstanding balance of the unfunded actuarial accrued liability (UAAL) and any changes to the UAAL arising from plan changes, assumption changes, and actuarial gains/losses were amortized as a level percentage of payroll over a 30-year period. The January 1, 2015 actuarial report was prepared based on a 20-year amortization period.

The County's actuary determines the ARC and the County makes contributions to the ERS based upon the actuarially determined ARC, with adjustments made at the discretion of the County Board of Supervisors and the County Executive. The ARC is based on the normal cost (the actuarial liability for benefits earned by active employees for the current year) plus interest plus a twenty year amortization of the unfunded liability. Because the County issued pension obligation notes in 2009, State Statute directs that the County must, at a minimum, contribute the normal cost. The County typically budgets contributions to the ERS to fully fund the ARC. In each actuarial valuation report, the actuary provides a "Projected" ARC for the upcoming budget year. The appropriation is generally set using this projection. In the subsequent actuarial valuation report, the actuary will provide the "Actual" contribution requirement. Differences between the ARC and the amount actually contributed have varied over the past five years. In 2010 and 2011, the County contributed more than the ARC and in 2012, 2013, and 2014, contributed 96.5 percent, 96.3 percent, and 86.1 percent of the ARC, respectively. The January 1, 2015 Actuarial Valuation Report has a funded ratio of 79.8 percent with an actuarial accrued liability of $2.223 billion and an actuarial value of assets of $1.774 billion.

Subsequent Events to the 2014 ERS Report

The ERS has evaluated subsequent events occurring through July 30, 2015, the date the financial statements were available to be issued for events requiring recording or disclosure in the ERS' financial statements. Management of the ERS feels that no material events occurred that would require disclosure, except for the following. In April 2015, the Pension Board adopted the following changes:

- Immediately recognize expected administrative expenses for the coming year, rather than amortizing them over 10 years.

- Reduce future increases in amortization payments from the current policy (3.50% for ERS and 3.00% for OBRA) to 1.75% annually, in order to better align with expected revenue growth.

- Update the actuarial cost method from aggregate Entry Age Normal to Individual Entry Age Normal (applies to ERS only). The Pension Board further recommended that the County Board reduce the current 30-year amortization period for the Unfunded Actuarial Accrued Liability ("UAAL") to 20 years. Subsequent to the Pension Board's April 2015 adoption of the funding policy changes, the actuary reported in June of 2015 that it had failed to include in its 1/1/13 and 1/1/14 valuation reports all of the previously included liabilities for cost of living adjustments for certain ERS members ("COLA liabilities"). For the valuation report as of January 1, 2015, the actuary has re-included those existing COLA liabilities. As noted above, as a result of the effect of the Pension Board's adoption of the funding policy changes in April, the 2016 contribution increased by approximately $4.3M. The subsequent re-inclusion of those COLA liabilities in the total ERS liabilities resulted in a further increase in the 2016 contribution by approximately an additional $16.7 million.

Eligibility for Normal Retirement

The typical retirement benefit is a monthly pension payment for the life of the participant beginning at normal retirement age. For Deputy Sheriffs' Union participants with less than 15 years of service, the normal retirement age is 57 or age 55 with 15 years of service. For all other participants the normal retirement age is either 60 or 64, depending on the ERS enrollment date, although some labor agreements require a minimum of five years of creditable service at age 60. Certain active participants are also eligible to retire under the Rule of 75. County

ordinances and labor agreements require an employee to be a participant prior to a stated date in order to qualify for the Rule of 75.

The most recent actuarial valuation indicates that as of December 31, 2014 there were 13,029 participants of which 7,979 were receiving benefits.

Amount of Normal Retirement Benefit

The amount of an eligible retiree's annual pension is calculated by multiplying the years of eligible service times an annual multiplier times an annual salary that is typically based on an average of a certain number of final employment years as defined by ordinance and labor agreements. These multiplier percentages are determined by ordinance, collective bargaining agreement, and the ERS enrollment date. At this time the multiplier percentage can be 1.5%, 1.6%, 2.0%, or 2.5%.

Retired employees receive a simple cost of living adjustment of 2 percent of original benefit increase per year. There are also accidental or ordinary disability, deferred, early retirement and survivors' pensions. The maximum benefit payable to a participant, excluding any post-retirement increases, cannot exceed 80 percent of the participant's final average monthly salary.

History of Changes Since 2010 to Pension Benefits

Since 2010, a series of pension changes have occurred. Eligible participants receive benefits as determined by their hire date and by their respective labor agreements. The following bullet points identify the significant changes that impacted the ERS since 2010.

- In 2010, the normal retirement age for non-represented employees hired after January 1 was increased to age 64. This was also included in new labor contracts with three bargaining units: the Association of Milwaukee County Attorneys, District No. 10 International Association of Machinists and Aerospace Workers, and Technicians, Engineers and Architects of Milwaukee County. This change was applied to the remaining bargaining units in 2012, except the Deputy Sheriffs' Union and the Firefighters Union.

- In 2010, the multiplier was reduced from 2.0% to 1.6% for all non-represented employees. This multiplier was also included in new labor contracts with the following bargaining units: Association of Milwaukee County Attorneys, District No. 10 International Association of Machinists and Aerospace Workers, and the Technicians, Engineers and Architects of Milwaukee County. The multiplier change was applied to all bargaining units except the Deputy Sheriffs' Union and the Firefighters Union. In 2011, the pension multiplier reduction was applied to the largest union, DC48. The reduction in the multiplier was applied to the Milwaukee Building and Construction Trades Council AFL-CIO , and Federation of Nurses and Health Professionals, Local 5101, AFT, AFL-CIO (the "Nurses Union") bargaining units in 2012.

- For 2011, an employee contribution of 4% was included for all non-represented employees. As a result of a change in State Statute, the County implemented a pension contribution equal to half of the annual required contribution or 4.7% for non-public safety, and 6.59% for public safety. The 4.7% rate was applied to non-represented employees and the county's largest union, DC48, in August 2011. The remaining represented bargaining units, except the Firefighters Union, saw the contribution increase in January 2012. The Deputy Sheriffs' Union and Nurses Union implemented the change through negotiation.

- For 2013, 2014, and 2015, the pension contribution rates were 4.4, 5.1, and 5.2 percent respectively for non-public safety employees.

- Effective with backdrop dates on or after April 1, 2013, the monthly drop benefit shall be based on the salary, service, and multipliers as of April 1, 2013, except for Elected Officials, Building and Trades, Machinists, Federated Nurses, and Firefighters.

- The asset method used by the actuary was changed from a five-year moving market average to a ten-year moving market, with the actuarial value set to market as of January 1, 2013.

- Beginning in 2014, non-active members can request a refund of their accumulated pension contributions within 180 days of receiving notice from the Retirement System.

Some of the enhancements described above resulted in County employees retiring at an accelerated schedule. The increase in retirements in recent years is a result of continuing changes in active benefits and the discussion of continuing changes in pension benefits. The table below shows five years of annual retirements.

Year	Number of Retirements
2014	259
2013	278
2012	166
2011	557
2010	344

As of July, 2015, the County has paid out a total of $261.1 million in lump-sum payments for the backdrop to 2,218 individuals upon retirement.

In March of 2009 the County issued $400 million in pension notes (the Series 2009A Notes and the Series 2009B Notes) to fund a portion of the unfunded actuarial accrued liability. The plan of finance for the $400 million in pension notes was for an overall level debt service structure. In conjunction with the pension financing the County also created a pension-related Stabilization Fund.

Including the contribution from the 2009 pension note proceeds, the most recent valuation of the ERS dated January 1, 2015 indicates a 79.8 percent funded status. This funded ratio is based on an actuarial value of assets of $1,773,638,000 and an actuarial accrued liability of $2,222,620,000. The below table provides five years of ERS funding progress.

ERS Schedule of Funding Progress
(Unaudited - in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAA)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
1/1/2015	$ 1,773,638	$ 2,222,620	$ 448,982	79.80%	$ 191,433	234.54%
1/1/2014	1,772,750	2,069,547	296,797	85.66%	188,605	157.36%
1/1/2013	1,768,505	2,025,319	256,814	87.32%	189,132	135.79%
1/1/2012	1,836,543	2,059,554	223,011	89.17%	190,748	116.91%
1/1/2011	1,929,428	2,091,927	162,499	92.23%	221,647	73.31%

Source: Milwaukee County Comprehensive Annual Financial Report 2014

OBRA 1990 Retirement System. The County has also established the OBRA 1990 Retirement System of the County of Milwaukee ("OBRA") to cover seasonal and certain temporary employees not enrolled in ERS. As of December 31, 2014, there were 5,224 participants with vested benefits in OBRA of which 47 are receiving benefits. The ARC for OBRA for the fiscal year ended December 31, 2014 was $374,000, and the County contributed $440,000. The actuarial accrued liability as of January 1, 2015 for OBRA was $3,484,000 and the actuarial value of assets was $1,842,000, resulting in a funded ratio of 52.9%. The below table provides five years of OBRA funding progress.

OBRA Schedule of Funding Progress
(Unaudited - in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAA)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
1/1/2015	$ 1,560	$ 3,484	$ 1,924	44.78%	$ 3,925	49.02%
1/1/2014	1,603	3,411	1,808	47.00%	3,478	51.98%
1/1/2013	1,662	2,869	1,207	57.93%	7,736	15.60%
1/1/2012	1,236	2,444	1,208	50.57%	8,939	13.51%
1/1/2011	1,402	5,520	4,118	25.40%	8,936	46.08%

Source: Milwaukee County Comprehensive Annual Financial Report 2014

For more information, see Note 15 in the County's audited financial statements, attached as Appendix A hereto.

Milwaukee County Other Post Employment Benefits – Excluding Milwaukee County Transit System

The County administers single-employer defined benefit healthcare and life insurance plans for retired employees. The plans provide health and life insurance contributions for eligible retirees and eligible spouses through the County's self-insured health insurance plan and the County's group life insurance plan. The County stopped providing post-retirement health care and life insurance for most employees who began work with the County after January 1, 1994. Employees who started prior to this date and worked 15 years with the County were eligible for post-retirement health care.

The County has received its third actuarial report of Other Post Employment Benefits ("OPEB") under Governmental Accounting Standards Board Statement #45 – "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions" ("GASB #45"). The County has chosen to continue on a "pay as you go basis" for its OPEB liabilities. However, under the GASB #45 rules, the County is required to accrue the cost of the annual required contribution ("ARC") for proprietary funds, and footnote the cost associated with governmental funds. The County required an actuarial report for its employees, and a separate actuarial report was prepared for the Milwaukee County Transit System (the "MCTS"), which is separately managed by Milwaukee Transport Services, Inc., a non-stock, not-for-profit Wisconsin corporation.

An actuarial valuation report was prepared as of January 1, 2014 for the County. The County's total actuarial accrued liability for OPEB for all funds, excluding the MCTS, is estimated at $973 million, based on a 5 percent discount rate.

The ARC for the County as of January 1, 2014 was $70.6 million. Normal cost is $0.8 million and amortization of the unfunded liability was $69.8 million. The amortization of the unfunded liability assumes a 30-year amortization using a level dollar amount. The net ARC cost for 2013 and 2014 was $25.4 million and $15.6 million, respectively, which excluded the retiree health costs that are separately budgeted by the County. The County has no plans to establish a post-retirement trust for health care or make contributions to a trust, but only plans to accrue the costs

associated with proprietary fund departments. The net OPEB Obligation as of December 31, 2013 and 2014 was $310.0 million and $325.6 million, respectively.

While the County has made progress in recent years by reducing costs in the area of employee and retiree health care and the rollback of the 2001 pension enhancements, employee compensation and fringe benefits continues to be a cost pressure in 2015 and beyond. Resolving the County's projected structural imbalance will require it to review its current expenditure commitments, revenue streams and the cost pressures outlined above. The County will then need to decide whether it will reduce expenditure commitments to accommodate the projected costs of health benefits, pension contributions and OPEB or seek and establish new revenue sources. This will require the County to reevaluate its core functions, and the funding assumptions used to support them.

For more information, see Note 14 in the County's audited financial statements, attached as Appendix A hereto.

Milwaukee County Transit System

The Milwaukee County Transit System ("MCTS") is separately managed by Milwaukee Transport Services, Inc. ("MTS"), with separate union agreements for its employees. MTS has established a post-retirement health and life insurance plan for all of its employees. Health insurance benefits are available only to employees hired before July 16, 2007, based on the number of years of service. MTS negotiated its current labor contract with its employees effective April 1, 2013 and expired March 31, 2015. Milwaukee Transport Services is in the process of collectively bargaining with the transit labor union. These contract negotiations are ongoing as of the publication of this document.

An actuarial valuation report was prepared as of January 1, 2013, which included expense and ARC development for the years beginning January 1, 2013 and January 1, 2014. The MTS actuarial accrued liability for the OPEB plan at December 31, 2013 is estimated at $244.1 million, based on a 7.25 percent discount rate.

The ARC for MTS as of January 1, 2013, as estimated by the actuary, was $15.5 million. The ARC includes normal cost of $3.6 million and amortization of the unfunded liability of $11.9 million. The amortization of the unfunded liability assumes a 30-year amortization using a level percentage of payroll. MTS has established a trust for the OPEB obligation, which had an actuarial value of assets as of December 31, 2013 of $54.6 million, and as of December 31, 2014 is projected to be $62.8 million.

For more information, see Note 14 in the County's audited financial statements, attached as Appendix A hereto.

The remainder of this page is left blank intentionally

COMMUNITY CHARACTERISTICS

Population, Income, and Employment Trends

The January 1, 2014, population estimate for the County by the State of Wisconsin Department of Administration is 949,741. The five most recent United States Department of Commerce, Bureau of the Census decennial estimates for the County are presented in table below.

Population Statistics

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

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.

Per Capita Personal Income

Year	Milwaukee County	State of Wisconsin	United States
2014[4]	Not Available	$ 44,585	$ 46,129
2013	$ 41,017	43,244	44,765
2012	40,585	42,475	44,200
2011	39,335	40,780	42,332
2010	38,299	38,728	40,144

The Wisconsin Department of Workforce Development provides estimates of the unemployment rate for the County and the State of Wisconsin. The below table provides the average annual unemployment rate for the last five years.

Unemployment Rate

Year	Milwaukee County	State of Wisconsin	United States
2014	7.0%	5.5%	6.2%
2013	8.4%	6.8%	7.4%
2012	8.6%	7.0%	8.1%
2011	9.3%	7.8%	8.9%
2010	10.0%	8.7%	9.6%

[4] Preliminary

Location and Transportation System

The 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 15 state highways.

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 also serve the County. Milwaukee is also a major Great Lakes port. Approximately 1,400,000 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.

Passenger air service is available through GMIA. Approximately 39 cities are served non-stop or direct, and connections are available to cities throughout the world. A total of 6,554,152 passengers used GMIA in 2014. For more information on GMIA, see "COUNTY GOVERNMENT – Services Provided by the County" herein.

Education

The County is home to a number of colleges and universities, including: Alverno College, Cardinal Stritch University, Marquette University, Medical College of Wisconsin, Milwaukee Area Technical College, Milwaukee School of Engineering, Mount Mary University, University of Wisconsin-Milwaukee, and Wisconsin Lutheran College.

Business Outlook Survey

According to the Milwaukee Metropolitan Association of Commerce Business Outlook Survey, Third Quarter, 2015, 72% of area businesses surveyed expected sales increases in 2015, 66% forecast profit gains, and 55% expect job growth in the calendar year.

Survey results suggest that local employment gains are likely to continue. 49% of all businesses surveyed predict third-quarter, 2015 job gains for their local operations (vs. 2014's third quarter). Companies are more than three times more likely to forecast employment gains for 2015's third quarter than declines (15%). 35% of companies expect to see no change.

The survey contains responses from 94 Milwaukee area firms, employing more than 28,800 people.

(The remainder of this page has been left blank intentionally.)

Larger Area Private-Sector Employers

Company	Business Description	Approximate Employment
Aurora Health Care Inc.	Health Care System	24,509
Wheaton Franciscan Healthcare	Health Care System	11,281
Froedert & Community Health	Health Care System	9,800
Roundy's Supermarkets Inc.	Retail Supermarkets	8,260
GE Healthcare	Health Care Technologies	6,000
The Medical College of Wisconsin	Private Medical School	5,170
Northwestern Mutual	Insurance, Investment Products	5,100
ProHealth Care Inc.	Health Care System	4,729
Children's Hospital	Health Care System	4,530
Columbia St. Mary's Health System	Health Care System	4,500
Goodwill Industries	Training Programs, Retail, & Food Service	4,100
US Bank NA	Banking Services	3,500
Wisconsin Energy Corp	Electric & Natural Gas Utility	3,461
Johnson Controls Inc.	Control Systems, Batteries & Auto Interiors	3,400
BMO Harris Bank	Bank Holding Company	3,300
The Marcus Corp	Theaters and Hotel Properties	3,159
Rockwell Automation Inc.	Industrial Automation Products	2,951
Potawatomi Bingo Casino	Casino	2,834
Harley-Davidson Inc.	Motorcycles & Accessories	2,736
Marquette University	University	2,733
(FIS) Fidelity National Info. Services	Banking and Payments Technology	2,600
Rexnord Corp	Power Transmission Equipment	2,300
Bon-Ton Department Stores	Department Stores	2,260
Wells Fargo	Banking & Financial Services	2,220
Sendik's Food Markets	Retail Supermarkets	1,650
Briggs & Stratton Corp	Small Gasoline Engines	1,500
Robert W Baird	Asset Management and Capital Markets	1,400
MillerCoors LLC	Beer Brewery	1,400
JPMorgan Chase & Co.	Global Financial Services	1,355
Joy Global Inc.	Manufactures & Distributes Mining Equip	1,319
Brady Corp	Manufacturer of Identification Materials	1,147
Patrick Cudahy Inc.	Manufacturer of Processed Meats	1,100
Caterpillar Inc., (Bucyrus)	Manufactures & Distributes Mining Equip	1,000
Master Lock Co. LLC	Manufacturer of Padlocks & Security Products	750

Source: Milwaukee Business Journal, as of July 10, 2015.

Major Industrial Taxpayers in the County

Name of Company	Type of Business or Services	2014 Full Market Value	% of County's 2014 Full Market Value
General Electric	Manufacturer, medical equipment	$ 80,720,100	0.14%
Harley-Davidson	Manufacturer, motorcycles	66,983,100	0.11%
MillerCoors	Manufacturer, beer and aluminum cans	56,872,900	0.10%
Caterpillar	Manufacturer, mining equipment	55,296,800	0.09%
Sigma Aldrich Corp.	Manufacturer,, specialty chemicals	40,855,300	0.07%
Rockwell Automation	Manufacturer, electrical/electronic products	33,199,100	0.06%
Journal Communications	Publishing, printing and broadcasting	30,173,800	0.05%
Briggs & Stratton Corp.	Manufacturer, small engines	26,466,300	0.05%
Bapista's Bakery Inc.	Manufacturer/marketer, consumer foods	26,126,500	0.04%
Rexnord Industries	Manufacturer, power transmissions	22,222,300	0.04%
Brady Worldwide Inc.	Manufacturer, safety and identification	19,906,300	0.03%
P & H Mining Equipment	Manufacturer, mining equipment	17,772,600	0.03%
Palermos Properties LLC	Distributor, frozen pizza	17,498,700	0.03%
P.P.G. Industries Inc.	Manufacturer, coatings and resins	16,153,600	0.03%
VTLC Development LLC	Real estate development	15,924,600	0.03%
Quad/Graphics Inc.	Printing	15,731,200	0.03%
All Glass Aquarium	Manufacturer, aquariums	12,597,800	0.02%
Patrick Cudahy	Manufacturer, processes meats	12,272,300	0.02%
Bostik Inc.	Manufacturer, adhesives and sealants	12,086,400	0.02%
Hondo Incorporated	Manufacturer, beverage containers	10,551,200	0.02%
Dentice, Joseph & Ellen	Real estate development	10,093,700	0.02%
Badger Meter, Inc.	Manufacturer, using flow measurement	9,002,000	0.02%
Krones Inc.	Manufacturer machines for packaging	8,753,200	0.02%
HIS Properties	Real estate development	7,835,100	0.01%
Ingeteam Inc.	Manufacturer electrical equipment, motors	7,766,100	0.01%
		$ 632,861,000	1.09%

Total 2014 Milwaukee County Equalized Value (TID Included)	$ 58,253,923,600

Source: Wisconsin Department of Revenue

Major Non-Industrial Taxpayers in the County

Name of Company	Type of Business	2014 Full Market Value	% of County's 2014 Full Market Value
Mayfair Mall LLC	Shopping Mall	$ 406,619,043	0.70%
Bayshore Town Center LLC	Real Estate	319,735,056	0.55%
Northwestern Mutual Life Insurance Co	Insurance	308,805,419	0.53%
US Bank Corp	Banking	276,645,450	0.47%
Bre Southridge Mall LLC	Real Estate	161,689,036	0.28%
Mandel Group	Real Estate	158,094,613	0.27%
Wal-Mart/Sam's Club	Retailer	145,863,534	0.25%
Metropolitan Associates	Real Estate	126,746,156	0.22%
Marcus Corp/Milw City Center/Pfister	Hotels, Theaters	120,951,518	0.21%
Forest County Potawatomi Community	Hotel, Parking Structure	84,939,679	0.15%
100 E Wisconsin Ave Joint Venture	Real Estate	79,804,117	0.14%
411 East Wisconsin LLC	Real Estate	77,626,800	0.13%
Aurora Health	Health Care	74,590,453	0.13%
Towne Realty	Real Estate	71,957,237	0.12%
BMO Harris Bank N.A.	Banking	69,206,631	0.12%
Gormon & Co.	Real Estate	68,815,687	0.12%
Riverbend Place	Real Estate	61,533,772	0.11%
Flanders Westborough	Real Estate	57,659,013	0.10%
Columbia St. Mary's	Health Care	57,207,419	0.10%
875 East Wisconsin - Vanguard Advisors	Real Estate	56,130,244	0.10%
Park Lafayette Apts.	Real Estate	55,451,889	0.10%
Centerpoint Properties	Real Estate	51,445,158	0.09%
Hub Milwaukee Center	Real Estate	51,312,889	0.09%
LSOP LLC	Real Estate	51,135,666	0.09%
Mid Milk Improvements LLC	Real Estate	50,522,751	0.09%
		$ 3,044,489,230	5.23%

Total 2014 Milwaukee County Equalized Value (TID Included)	$ 58,253,923,600

Source: Wisconsin Department of Revenue

Major Construction Projects Planned and in Process in the County

Construction Projects Located in the City of Milwaukee

Project Name	Municipality	Project Type	Estimated Project Costs
Northwestern Mutual	City of Milwaukee	Commercial	$ 450,000,000
Froedtert & Medical College	City of Milwaukee	Medical	128,000,000
833 East	City of Milwaukee	Mixed Commercial	101,500,000
North End Phase III	City of Milwaukee	Multi-Unit Residential	35,000,000
Kimpton Hotel	City of Milwaukee	Hotel	30,000,000
Alverno College	City of Milwaukee	University	25,000,000
Milwaukee Art Museum	City of Milwaukee	Cultural	25,000,000
The 401	City of Milwaukee	Multi-Unit Residential	23,900,000
Posner Building (MKE Lofts)	City of Milwaukee	Multi-Unit Residential	23,000,000
Milwaukee Intermodal Station	City of Milwaukee	Public Transportation	20,330,000
MSOE Grohmann Residence Tower	City of Milwaukee	Student Housing	19,000,000
Sojourner Family Peace Center	City of Milwaukee	Social Service	16,000,000
St. Ann Center	City of Milwaukee	Care Facility	16,000,000
		TOTAL	$ 912,730,000

Construction Projects Located in Other Municipalities

Project Name	Municipality	Project Type	Estimated Project Costs
Oak Creek-Franklin School District	City of Oak Creek	K-12 Education	$ 59,000,000
Echelon Apartments	City of Wauwatosa	Residential	33,600,000
Nordstrom	City of Wauwatosa	Retail	27,150,000
Meadowland Research and Tech. Center	City of Wauwatosa	Clinical Research	24,000,000
Mandel-Beaumont Place	Vlg. of Whitefish Bay	Residential	22,800,000
Mayfair Collection Phase II	City of Wauwatosa	Commercial	21,520,000
City of Oak Creek - City Hall & Library	City of Oak Creek	Local Government	18,500,000
HarborChase	Village of Shorewood	Assisted Living	15,300,000
		TOTAL	$ 221,870,000
		GRAND TOTAL	$ 1,134,600,000

Source: Milwaukee Business Journal, as of July 3, 2015.

DEBT STRUCTURE

Payment Record

The County has no record of default in the payment of the principal or interest on its debt obligations, nor has the County issued any refunding securities for the purpose of preventing default in principal or interest on its debt obligations.

General Obligation Debt by Issue

The County's outstanding general obligation debt by issue as of the issuance of the Bonds is as follows:

General Obligation Debt by Issue

Note	Date of Issue	Name of Obligation	Amount Issued	Final Maturity	Interest Rates Outstanding	Principal Outstanding
1	07/01/2003	Ref. Bonds, Series 2003A	$ 100,025,000	08/01/2017	3.800% - 3.900%	$ 13,335,000
2	11/01/2005	Ref. Bonds, Series 2005A	63,025,000	10/01/2015	5.250%	--
	04/01/2006	Bonds, Series 2006A *	31,595,000	10/01/2015	5.000%	--
	06/01/2007	Bonds, Series 2007A	32,625,000	12/01/2022	4.000% - 4.250%	22,680,000
	06/01/2008	Bonds, Series 2008A	30,860,000	12/01/2023	3.750% - 4.250%	24,300,000
	04/02/2009	Taxable Pension Notes, Series 2009A	265,000,000	12/01/2028	4.640% - 6.840%	133,487,910
	08/01/2009	Taxable Bonds, Series 2009C (BABs)	24,775,000	10/01/2024	4.200% - 5.400%	24,775,000
3	08/01/2009	Notes, Series 2009D	17,250,000	10/01/2016	2.625%	2,435,000
	11/15/2009	Taxable Bonds, Series 2009E (BABs)	30,365,000	08/01/2024	3.875% - 5.250%	27,170,000
	11/15/2009	Notes, Series 2009F	15,610,000	08/01/2019	2.750% - 3.500%	4,970,000
	05/01/2010	Taxable Bonds, Series 2010A (BABs)	22,725,000	10/01/2025	3.250% - 5.100%	21,195,000
	05/01/2010	Notes, Series 2010B	12,325,000	10/01/2018	2.500% - 3.000%	5,000,000
	12/21/2010	Taxable Bonds, Series 2010C (BABs)	38,165,000	10/01/2026	3.200% - 5.500%	33,965,000
	12/21/2010	Notes, Series 2010D	9,770,000	10/01/2020	2.000% - 4.000%	5,780,000
4	03/15/2011	Ref. Bonds, Series 2011A	35,095,000	10/01/2018	5.000%	11,780,000
5	12/20/2012	Ref. Bonds, Series 2012	23,105,000	12/01/2020	4.000%	21,365,000
6	02/12/2013	Taxable Pension Notes, Series 2013	138,730,000	12/01/2030	0.670% - 3.862%	133,725,000
7	06/27/2013	Taxable Ref. Bonds, Series 2013B	99,300,000	12/01/2023	0.727% - 3.539%	90,075,000
	08/14/2013	Bonds, Series 2013A	26,935,000	09/01/2023	2.000% - 3.000%	22,305,000
	11/06/2014	Bonds, Series 2014A	39,240,000	12/01/2029	2.000% - 3.250%	39,240,000
		Subtotal - Existing Debt				$ 637,582,910
	11/12/2015	Bonds, Series 2015A	$ 31,655,000	10/01/2030	2.000% - 3.000%	$ 31,655,000
8	11/12/2015	Ref, Bonds, Series 2015B	14,680,000	10/01/2021	2.000% - 3.000%	14,680,000
		Subtotal - The Bonds				$ 46,335,000
	11/12/2015	Notes, Series 2015C**	$ 3,975,000	10/01/2019	to be determined	$ 3,975,000
	11/12/2015	Taxable QECBs, Series 2015D**	4,860,000	10/01/2025	to be determined	4,860,000
		Subtotal - Other Obligations scheduled to sell on October 29, 2015				$ 8,835,000
		TOTAL				$ 692,752,910

* Principal Outstanding reflects the refunding of the callable maturities by the 2015B Bonds.

** Expected to sell via a competitive public sale on October 29, 2015.

Footnotes 1-8 regarding outstanding refunding debt are presented on the following page.

1. On July 1, 2003, the County issued $100,025,000 General Obligation Refunding Bonds, Series 2003A, to restructure the County's debt service payment schedule and allow the County to meet other budgetary demands. The refunding bonds are included in the total general obligation debt, and the refunded bonds are excluded.

2. On November 17, 2005, the County issued $63,025,000 General Obligation Refunding Bonds, Series 2005A, to refund certain maturities totaling $63,865,000 of the County's outstanding General Obligation Building Bonds, Series 1997A, General Obligation Corporate Purpose Bonds, Series 1997A, General Obligation Corporate Purpose Bonds, Series 1998A, General Obligation Corporate Purpose Bonds, Series 1999A, and General Obligation Corporate Purpose Bonds, Series 2000A. The refunding bonds are included in the total general obligation debt, and the refunded bonds are excluded.

3. On August 12, 2009, the County issued $17,250,000 General Obligation Promissory Notes, Series 2009D. A portion of the issue was utilized to refund certain maturities totaling $9,205,000 of the County's outstanding General Obligation Refunding Bonds, Series 1999A, and $740,000 of the County's outstanding General Obligation Museum Refunding Bonds, Series 1999A. The refunding bonds are included in the total general obligation debt, and the refunded bonds are excluded.

4. On March 30, 2011, the County issued $35,095,000 General Obligation Refunding Bonds, Series 2011A. A portion of the issue was utilized to refund certain maturities totaling $12,500,000 of the County's outstanding General Obligation Corporate Purpose Bonds, Series 2001A, $15,150,000 of the County's outstanding General Obligation Corporate Purpose Bonds, Series 2002A, and $10,425,000 of the County's outstanding General Obligation Corporate Purpose Bonds, Series 2003A. The refunding bonds are included in the total general obligation debt, and the refunded bonds are excluded.

5. On December 20, 2012, the County issued $23,105,000 General Obligation Refunding Bonds, Series 2012. A portion of the issue was utilized to refund certain maturities totaling $13,040,000 of the County's outstanding General Obligation Corporate Purpose Bonds, Series 2004A, and $11,750,000 of the County's outstanding General Obligation Corporate Purpose Bonds, Series 2005A. The refunding bonds are included in the total general obligation debt, and the refunded bonds are excluded.

6. On February 12, 2013, the County issued $138,730,000 Taxable General Obligation Pension Promissory Notes, Series 2013, to provide for the timely payment of principal of and interest on the County's outstanding $135,000,000 Taxable Pension Notes, Series 2009B on March 15, 2013.

7. On June 27, 2013, the County issued $99,300,000 Taxable General Obligation Pension Refunding Bonds, Series 2013B to provide for the purchase and retirement of a portion of the 2024 term maturity of the County's Taxable General Obligation Pension Promissory Notes, Series 2009A, dated April 2, 2009. The refunding bonds are included in the total general obligation debt, and the refunded notes are excluded.

8. On November 12, 2015, the County plans to issue $14,680,000 General Obligation Refunding Bonds, Series 2015B to refund certain maturities totaling $15,180,000 of the County's outstanding General Obligation Corporate Purpose Bonds, Series 2006A. The refunding bonds are included in the total general obligation debt, and the refunded bonds are excluded.

General Obligation Annual Debt Service Schedule

	Existing General Obligation Debt*		2015A Bonds Sale 10/14/2015		2015B Bonds Sale 10/14/2015		Other Obligations (est.) Scheduled Sale 10/29/2015		TOTAL		
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
2015	$62,208,664	$27,982,446	-	-	-	-	-	-	$62,208,664	$27,982,446	$90,191,110
2016	57,902,077	25,259,678	$1,380,000	$708,003	$2,625,000	$322,899	$1,490,000	$173,589	63,397,077	26,464,169	89,861,246
2017	56,718,957	23,493,147	1,385,000	771,400	2,520,000	311,900	1,485,000	166,100	62,108,957	24,742,547	86,851,504
2018	48,806,001	21,638,620	1,385,000	743,700	2,455,000	261,500	1,485,000	136,400	54,131,001	22,780,220	76,911,221
2019	46,826,614	19,986,028	1,395,000	716,000	2,395,000	212,400	1,475,000	106,700	52,091,614	21,021,128	73,112,742
2020	45,732,492	18,328,410	2,380,000	688,100	2,350,000	140,550	490,000	77,200	50,952,492	19,234,260	70,186,752
2021	45,143,327	16,592,690	2,380,000	640,500	2,335,000	70,050	490,000	67,400	50,348,327	17,370,640	67,718,967
2022	46,544,325	14,769,641	2,380,000	592,900	-	-	480,000	57,600	49,404,325	15,420,141	64,824,466
2023	45,196,076	12,832,061	2,380,000	545,300	-	-	480,000	43,200	48,056,076	13,420,561	61,476,637
2024	29,714,377	10,891,701	2,370,000	497,700	-	-	480,000	28,800	32,564,377	11,418,201	43,982,578
2025	33,440,000	9,445,637	2,370,000	426,600	-	-	480,000	14,400	36,290,000	9,886,637	46,176,637
2026	32,915,000	7,597,006	2,370,000	355,500	-	-	-	-	35,285,000	7,952,506	43,237,506
2027	29,645,000	5,736,727	2,370,000	284,400	-	-	-	-	32,015,000	6,021,127	38,036,127
2028	31,195,000	4,034,226	2,370,000	213,300	-	-	-	-	33,565,000	4,247,526	37,812,526
2029	33,005,000	2,217,970	2,370,000	142,200	-	-	-	-	35,375,000	2,360,170	37,735,170
2030	24,840,000	959,321	2,370,000	71,100	-	-	-	-	27,210,000	1,030,421	28,240,421
2031	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-
Subtotal	$669,832,910	$221,765,309	$31,655,000	$7,396,703	$14,680,000	$1,319,299	$8,835,000	$871,389	$725,002,910	$231,352,700	$956,355,610
Pmts. by 11/12/2015	(32,250,000)	(18,632,360)	-	-	-	-	-	-	(32,250,000)	(18,632,360)	(50,882,360)
Total	$637,582,910	$203,132,950	$31,655,000	$7,396,703	$14,680,000	$1,319,299	$8,835,000	$871,389	$692,752,910	$212,720,340	$905,473,250

* The amount of general obligation debt service supported by airport system revenues for 2015, 2016, and 2017 is $11,465, $10,987, and $10,561, respectively. Previous Official Statements have overstated the portion of the County's general obligation debt service supported by airport system revenues by presenting the amounts for the aforementioned years as $335,659, $321,663 and $309,194, respectively.

Approximately 72.4 percent of the County's general obligation debt (including the effects of the Bonds and the other obligations scheduled to be sold on October 29, 2015.) will be retired within ten years. This rate of principal repayment includes general obligation debt issued by the County on behalf of the County airports. Approximately $20,367 of the County's outstanding general obligation 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 on debt issued on behalf of the airports.

Airport Revenue Debt

The County owns and operates General Mitchell International Airport ("GMIA") and Lawrence J. Timmerman Airport (collectively the "Airport System"). The County's outstanding general airport revenue bonds ("GARBS") by issue are presented in the following table.

Airport Revenue Debt by Issue

Date of Issue	GARB Issue	Amount Issued	Final Maturity	Interest Rates Outstanding	Principal Outstanding
12/22/2005	Airport Revenue, Series 2005A	$ 29,010,000	12/01/2030	4.70% - 5.25%	$ 28,015,000
11/16/2006	Airport Revenue, Series 2006A	25,665,000	12/01/2031	4.00% - 5.00%	20,760,000
11/16/2006	Airport Revenue Ref., Series 2006B	5,020,000	12/01/2015	5.00%	350,000
11/15/2007	Airport Revenue, Series 2007A	13,445,000	12/01/2032	4.125% - 5.00%	11,120,000
12/10/2009	Airport Revenue, Series 2009A	12,690,000	12/01/2032	3.00% - 5.125%	12,690,000
10/14/2010	Airport Revenue, Series 2010A	31,570,000	12/01/2034	3.00% - 5.00%	31,570,000
10/14/2010	Airport Revenue Ref., Series 2010B	51,590,000	12/01/2023	4.00% - 5.00%	35,475,000
08/14/2013	Airport Revenue, Series 2013A	47,095,000	12/01/2038	5.00% - 5.25%	47,095,000
08/14/2013	Airport Revenue Ref., Series 2013B	3,330,000	12/01/2022	2.25% - 4.00%	2,940,000
11/06/2014	Airport Revenue Ref., Series 2014A	23,655,000	12/01/2029	4.00% - 5.00%	23,655,000
	Subtotal - Existing Debt				$ 213,670,000

The revenues of the Airport System are derived from rentals, fees and charges paid by users of the Airport System, including airlines (the "Signatory Airlines") that have agreed in the Airline Leases to pay for their usage of GMIA based on a series of formulae designed to allow the County to recover its cost of providing facilities and services for the Airport System. The costs are apportioned among the Signatory Airlines based on usage. The principal and interest on the County's airport revenue obligations are payable solely from, and are secured equally and ratably by a pledge of net revenues derived from the Airport System.

Other County Obligations

In addition to issuing general obligation and airport revenue debt as described above, the County has undertaken other obligations in the form of financial guarantees for other entities. These include the following:

Midwest Airlines, Inc. Pursuant to a Credit Assistance Agreement dated as of October 1, 2003, between the County and Midwest Airlines, Inc., and Skyway Airlines, Inc., the County entered into a Standby Reimbursement Agreement with U.S. Bank National Association ("U.S. Bank") to provide for the guarantee of the obligations of Midwest and Skyway with respect to the letters of credit issued by U.S. Bank to support the $8,300,000 City of Milwaukee, Wisconsin, Variable Rate Demand Industrial Revenue Bonds, Series 1998 (Midwest Express Airlines, Inc. Project) and the $7,000,000 City of Milwaukee, Wisconsin, Variable Rate Demand Industrial Development Revenue Bonds, Series 2001 (Skyway Airlines Project). The County has authorized (but not issued) promissory notes with a principal amount of $14,215,000 for the Reimbursement Agreement and Credit Assistance Agreement. The Standby Reimbursement Agreement with U.S. Bank has been extended through August 15, 2016. Upon the extension of the credit agreements, Midwest began paying down the principal outstanding on the debt. As of October 2014, the principal outstanding on the debt is $12,040,000. In 2009 Republic Airways Holding, Inc. purchased Midwest Airlines, Inc. A proposal was made to transfer the credit assistance agreement from Midwest

Airlines to Frontier Airlines, a subsidiary of Republic Airways. This transfer has not occurred. The County's guarantee is supported by a mortgage on the two hangars, and a trust account with a value as of October 2014 of $5,568,242. As principal payments are made on the debt, the County is required to return a prorated portion of the funds in the trust account back to the State of Wisconsin and Racine County, which provided the majority of the funds in the trust account. The County had returned $660,472 of the trust funds as of December 31, 2014.

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 #2") in 1994. In 1997, the Wauwatosa Redevelopment Authority issued $8,860,000 of redevelopment lease revenue bonds to fund infrastructure development costs in TID #2. The 1997 bonds were retired in 2007 with the proceeds of $6,200,000 redevelopment refunding lease revenue bonds. In 2012, the balance of the 2007 redevelopment refunding lease revenue bonds was retired. In August 2004, the County agreed to guarantee the payment of the principal and interest due on $24,500,000 of bonds issued by the City of Wauwatosa Redevelopment Authority to provide certain financial incentives totaling approximately $27,610,000 to a developer in order to induce a corporation to move to a building constructed in the Milwaukee County Research Park. The County has agreed to guarantee the payment of the lease revenue bonds, if the tax increments generated by TID #2 are insufficient to pay the principal and interest due on the bonds. In April 2015, the City of Wauwatosa authorized the redemption of the outstanding balance of the 2004 lease revenue bonds. On May 1, 2015, the outstanding balance of the 2004 lease revenue bonds were called for redemption and have now been paid in full.

Short-Term Debt

The County has the authority to issue tax anticipation notes and revenue anticipation notes. The last time the County utilized either of these short-term financing options for cash flow purposes was 1994. The County has no outstanding short-term debt for cash flow borrowing.

Future Financings

The County has authorized the issuance of up to $28,745,000 of additional general obligation debt to finance projects during 2015. The County expects to sell approximately $3,975,000 of general obligation bonds or notes to finance additional projects with a short-term useful life of less than eight years and $4,860,000 of taxable general obligation mass transit bonds to finance the acquisition of buses on October 29, 2015. The County does not expect to issue the remaining general obligation debt authorized in 2015.

Legal Debt Limit

The County has the power to incur indebtedness for County purposes specified by statute (Article 11, Section 3 of the Wisconsin Constitution and Chapter 67 of the *Wisconsin Statutes*) in an aggregate amount, not exceeding 5 percent of the equalized value of taxable property in the County, as last determined by the Wisconsin Department of Revenue. In general, such indebtedness may be in the form of bonds and promissory notes for various public purposes. The County's unused borrowing capacity after issuance of the Bonds will be as follows:

2015 Equalized Value	$ 58,553,179,100
Legal Debt Limit (5% of Equalized Value)	2,927,658,955
Existing Debt	637,582,910
Plus: The Bonds	46,335,000
Plus: Debt scheduled to sell on 10/29/2015	8,835,000
Total Debt (23.7% of Capacity)	$ 692,752,910
Remaining borrowing capacity (76.3% of Capacity)	$ 2,234,906,045

General Obligation Indirect Debt [5]

Governmental Unit	Outstanding Debt 12/31/2014	Percentage Within County	Amount Allocable To the County
Villages:			
Village of Bayside	$ 15,178,665	95.89%	$ 14,554,697
Village of Brown Deer	23,597,849	100.00%	23,597,849
Village of Fox Point	11,062,421	100.00%	11,062,421
Village of Greendale	17,405,000	100.00%	17,405,000
Village of Hales Corners	6,211,444	100.00%	6,211,444
Village of River Hills	6,772,277	100.00%	6,772,277
Village of Shorewood	35,034,140	100.00%	35,034,140
Village of West Milwaukee	8,721,653	100.00%	8,721,653
Village of Whitefish Bay	41,200,767	100.00%	41,200,767
Villages Subtotal	$ 165,184,216		$ 164,560,248
Cities:			
City of Cudahy	$ 23,988,464	100.00%	$ 23,988,464
City of Franklin	37,711,522	100.00%	37,711,522
City of Glendale	35,525,000	100.00%	35,525,000
City of Greenfield	40,355,000	100.00%	40,355,000
City of Milwaukee	759,463,723	100.00%	759,463,723
City of Oak Creek	84,840,000	100.00%	84,840,000
City of South Milwaukee	13,877,000	100.00%	13,877,000
City of St. Francis	10,780,000	100.00%	10,780,000
City of Wauwatosa	84,685,000	100.00%	84,685,000
City of West Allis	75,644,912	100.00%	75,644,912
Cities Subtotal	$ 1,166,870,621		$ 1,166,870,621
School Districts:			
Brown Deer	$ 27,200,312	100.00%	$ 27,200,312
Cudahy	16,974,428	100.00%	16,974,428
Fox Point-Bayside Schools	5,260,000	97.92%	5,150,446
Franklin Public Schools	33,940,000	100.00%	33,940,000
Glendale-River Hills	4,128,196	100.00%	4,128,196
Greendale	15,975,000	100.00%	15,975,000
Greenfield	51,979,428	100.00%	51,979,428
Maple Dale-Indian Hill	2,536,465	100.00%	2,536,465
Milwaukee Area Technical College	109,920,000	81.10%	89,140,929
Milwaukee Public	104,000,923	99.99%	103,995,595
Nicolet High School	7,675,000	99.42%	7,630,609
Oak Creek-Franklin	43,555,000	100.00%	43,555,000
Shorewood	19,860,000	100.00%	19,860,000
South Milwaukee	41,215,000	100.00%	41,215,000
St. Francis	12,715,000	100.00%	12,715,000
Wauwatosa	--	100.00%	--
West Allis - West Milwaukee	14,167,836	93.48%	13,244,556
Whitefish Bay	15,860,000	100.00%	15,860,000
Whitnall	280,000	100.00%	280,000
School District Subtotal	$ 527,242,588		$ 505,380,965
Metropolitan Sewerage District	$ 923,728,418	99.93%	$ 923,119,149
Total Overlapping Debt			**$ 2,759,930,983**

[5] The proportion of indirect debt attributable to the County was determined by calculating the ratio of equalized value of property located within the County to outstanding debt. For the City of Milwaukee, property values located in Waukesha County are included in the allocation of City's outstanding debt. Milwaukee Public Schools does not have the ability to issue general obligation debt; the City of Milwaukee issues general obligation debt on its behalf. The amount shown is broken out for the City of Milwaukee that was issued for school purposes.

Direct and Indirect Debt [6]

Dec. 31 Year	Direct County Debt	Milwaukee Metropolitan Sewerage District Debt	Cities, Villages, Schools, and Technical College, Debt	Total Direct and Indirect Debt Year End
2014	$ 685,014,000	$ 923,119,149	$ 1,836,811,834	$ 3,444,944,983
2013	721,730,000	970,256,497	1,892,035,032	3,584,021,529
2012	745,865,000	1,009,013,839	1,833,249,703	3,588,128,542
2011	816,346,000	970,279,000	1,759,392,000	3,546,017,000
2010	880,648,000	983,785,000	1,691,637,000	3,556,070,000

Direct and Indirect Debt as Percent of Equalized Value and Per Capita

Year	Population	Equalized Value (TID Included)	Total Direct Debt	Percent of Equalized Value	Per Capita	Total Direct and Indirect Debt	Percent of Equalized Value	Per Capita
2014	949,741	58,253,923,600	685,014,000	1.18%	721	3,681,100,574	6.32%	3,876
2013	950,410	57,127,524,400	721,730,000	1.26%	759	3,584,021,529	6.27%	3,771
2012	948,322	57,782,302,300	745,865,000	1.29%	787	3,588,128,542	6.21%	3,784
2011	948,369	61,099,028,600	816,346,000	1.34%	861	3,546,017,000	5.80%	3,739
2010	947,735	63,403,510,200	880,648,000	1.39%	929	3,556,070,000	5.61%	3,752

[6] Direct County Debt reflects all general obligation debt of the County, including general obligation debt supported by Airport revenues. The County's $135,000,000 Taxable Pension Note Anticipation Notes, Series 2009B were included in the Direct County Debt for years 2009, 2010, 2011, and 2012 as these obligations were issued in anticipation of the issuance of general obligation long-term debt, which was subsequently done in 2013.

FINANCIAL INFORMATION

Tax Assessment

The valuation of all real and personal property is the responsibility of the 19 city and village assessors within the County with the exception of real and personal manufacturing property. The valuation of manufacturing property is the responsibility of the Wisconsin Department of Revenue.

Assessments are made as of January 1st of each year in accordance with the provisions of Wisconsin Statutes. The law requires that all property subject to assessment be valued in accordance with procedures set forth in the Wisconsin Property Assessment Manual. Assessments must be based on actual view or from the best information that the assessor can practicably obtain, and be at the full value, which could ordinarily be obtained at private sale.

Wisconsin courts have determined that the constitutional requirement for uniformity of assessment is met even though the assessment in question may be less than full value, provided all property within the taxing district is assessed at the same approximate level. Beginning in 1986, all municipalities have been required to assess taxable property at a minimum of 90 percent of state equalized values at least once every five years.

The assessment of a class of property may also be lowered to obtain uniformity. This procedure is also utilized by the Wisconsin Department of Revenue to equate full value assessments of manufacturing property to the local level of all taxable non-manufacturing assessments.

The State of Wisconsin equalizes local assessments to full values. This equalized valuation is the basis used in computing the five-percent state constitutional debt limitation.

Equalized Value Trends (in Millions of Dollars)

	2011	2012	2013	2014	2015
Residential	$ 39,498	$ 36,873	$ 35,671	$ 36,174	$ 36,320
Commercial	18,266	17,678	18,155	18,648	19,072
Manufacturing	1,504	1,493	1,478	1,460	1,483
Other	29	33	33	32	32
Personal Property	1,802	1,705	1,791	1,940	1,646
Total Equalized Value	61,099	57,782	57,128	58,254	58,553
Less: Tax Increment Value	(2,547)	(2,252)	(2,518)	(2,600)	(2,492)
Net Equalized Value	58,552	55,530	54,609	55,653	56,062
Population	948,369	948,322	950,410	949,741	949,795
Equalized Value Per Capita ($)	64,425	60,931	60,108	61,337	61,648

Source: Wisconsin Department of Revenue

Property Tax Levies and Collections (In Millions of Dollars)[7, 8]

Year	Total Property Tax Levy	Uncollected Property Taxes Turned Over to the County	Uncollected Property Taxes as Percentage of Total Levy
2014	$ 1,057.0	$ 9.0	0.85%
2013	1,072.8	9.6	0.89%
2012	1,071.8	12.6	1.18%
2011	1,058.8	14.2	1.34%
2010	1,055.7	14.2	1.34%

Total taxes levied include municipal levies, assessments and charges. The individual municipalities collect these taxes until July 31st of the budget year.

Property Tax Levies and Collections – City of Milwaukee (in Thousands of Dollars)[9]

				Collected for Levy Year		Collections		Total Collections to Date	
Budget Year	Taxes Levied for the Fiscal Year (Original Levy)	Purchase and Adjust	Total Adjusted Levy	Current Tax Collections	Percent Original Levy Collected	Purchased Delinquents Original Levy Year	Total Adjusted Levy in Subsequent Years	Amount	Percentage of Adjusted Levy
2014	$307,246	$30,930	338,176	$295,624	96.22%	$13,004	--	$308,628	91.26%
2013	304,700	30,725	335,425	293,489	96.32%	16,237	$12,423	322,149	96.04%
2012	301,051	28,917	329,968	288,749	95.91%	13,596	20,401	322,746	97.81%
2011	295,967	29,872	325,839	284,691	96.19%	16,049	21,740	322,480	98.97%
2010	291,943	29,913	321,856	281,196	96.32%	16,482	22,174	319,852	99.38%

Source: City of Milwaukee Comprehensive Annual Financial Report, 2014.

The City of Milwaukee and the County have entered into an intergovernmental cooperation agreement, whereby the city purchases all unpaid County taxes in February of the first collection year, but periodically remits taxes until the end of July that are considered on time through the installment payment plan. The city also collects delinquent taxes levied by the City of Milwaukee, the Milwaukee Metropolitan Sewerage District, the Milwaukee Area Technical College, the Milwaukee Public Schools, and the State of Wisconsin levied in the City of Milwaukee.

[7] Tax levy amounts include taxes for each school district, city or village, sewerage district, technical college and the County for the 18 suburban municipalities. See "Property Tax Levies and Collections Last Five Years - City of Milwaukee".

[8] Total Tax Collections During the Year includes collections for the current fiscal year and delinquent collections from any year during the past ten years.

[9] Purchase and Adjust column is included because the City of Milwaukee purchases delinquent taxes from other units (the County, Milwaukee Metropolitan Sewerage District, Milwaukee Area Technical College, Milwaukee Public Schools, and the State of Wisconsin).

Property Tax Rates for County Levies

In November of each year, the County Board adopts an annual budget for the ensuing calendar year. At that time levies on real and personal property are set. The information provided below reflects the budget year for which taxes are to be used, not the year in which taxes are levied. For example, information listed below for 2015 represents the 2014 property tax levy used to finance the County's 2015 budget. The County Board adopted the 2015 budget on November 10, 2014. The levies summarized below include the state forestry tax and other administrative levies used for regional planning and other non-general County purposes.

Tax Levy and Tax Rate Trends (in Millions of Dollars)

	2011	2012	2013	2014	2015
General County Purposes	$ 334.0	$ 339.4	$ 337.1	$ 333.4	$ 342.6
Countywide Emergency Medical Services	--	--	3.0	3.0	--
County Sales Tax Credit	(64.4)	(64.0)	(60.8)	(57.1)	(59.6)
State Forestry Taxes/Other Administrative Levies	11.6	11.2	10.6	10.5	10.7
Total Net County Taxes (in millions of dollars)	$ 281.2	$ 286.6	$ 289.9	$ 289.9	$ 293.7
Total Net County Tax Rate ($ per $1,000 Equalized Value)	4.6	4.9	5.2	5.3	5.3

Levy Limits

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

A political subdivision 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%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general

obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

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.

The Bonds were authorized after July 1, 2005.

Property Tax Collections

Real estate and personal property taxes become due as of January 31st of each year. Taxpayers may pay their property taxes in installments. The number of installment payments varies for each individual municipality. Municipalities initially collect all property taxes including county and school taxes. On or before January 15th and February 15th, the city or village treasurer settles with other taxing jurisdictions including the County for all collections through December and January respectively. In municipalities that have authorized the payment of real property taxes in three or more installments, the city or village treasurer additionally settles with the other taxing jurisdictions including the County on the 15th day of each month following the month in which an installment payment is required. The County subsequently has a tax settlement with the municipalities in August of each year. The County exclusively purchases all uncollected real property taxes from the municipality, issues a tax certificate and assumes the collection responsibility. As a last resort, the County Treasurer can foreclose after approximately two years. A tax lien is the first lien against real estate and remains valid for eleven years. The County maintains a Reserve for Taxes Receivable equal to all non-current taxes remaining due.

The tax collection procedure within the City of Milwaukee is substantially different than the procedure outlined above. The city has ten installments with the County portion being collected by the seventh payment. The city and the County entered into an intergovernmental cooperation agreement, whereby the city purchases all unpaid County taxes in February of the first collection year and retains the interest and penalty collected. Interest on delinquent taxes is charged at a rate of one percent per month from the preceding February. In addition, a penalty of one-half of one percent is also charged each month.

Other Major County Revenues

State Shared Revenues. The State distributes revenues collected from State taxes to municipal and county governments. These revenues can be used at the discretion of local governments to finance local services. Sections 79.03 and 79.04 of the *Wisconsin Statutes* outline a formula to allocate these revenues to local government units. The allocation formula for counties was based on a number of variables including taxable property values, utility property values, population, property tax levies and certain user fees. The State has modified the state shared revenue formula so that the previous year's base, plus the utility payment, determines the budgeted amount.

The utility payment component compensates local governments for costs they incur in providing services to public utilities. These costs cannot be directly recouped through property taxation since utilities are exempt from local taxation and instead are taxed by the State.

The State changed the methodology for calculating the utility payment. Previously, the utility payments to cities and villages were computed at a rate of six mills ($6 per $1,000 of net book value), while payments to towns are computed at a rate of three mills. Payments to counties were computed at three mills if the property is located in a city or village or at six mills if the property is located in a town. Starting in 2009, municipalities and counties with power plants that became operational before January 1, 2004 receive a utility payment based on the higher of the net book value formula amount or the megawatt capacity formula amount. The estimated utility payment component for 2014 is $4,275,871.

Shared revenue payments are made by the State with over 95% of the amount being received by November. The 2014 actual amount was approximately $31.2 million in net state shared revenues. The 2015 budget includes approximately $31.2 million in anticipated net state shared revenues.

Beginning in 1999, in accordance with Section 48.561(3) of the *Wisconsin Statutes*, the Wisconsin Department of Administration reallocates $20,101,300 in State shared revenue to the State's Child Welfare Program to be used to defray state administrative costs for the program.

2015 Wisconsin Act 60. Act 60 relates to constructing a sports and entertainment arena and related facilities and making appropriations. Act 60 included a reduction of the County's State Shared revenues that would be used to finance components of Act 60.

Beginning in 2016 and ending with the distributions in 2035, in accordance with Section 79.035 (6) of the *Wisconsin Statutes*, the annual payment of State shared revenue to the County would be reduced by $4,000,000.

County Sales and Use Tax. Beginning April 1, 1991, a 0.5 percent sales and use tax was enacted by Milwaukee County. The tax, which is authorized under Section 77.70 of the *Wisconsin Statutes*, is administered by the State and is imposed on goods and services, which are currently subject to a 5.0 percent state sales tax. The State distributes payments to the County seven to 11 weeks after the taxes are collected by retailers. Based on generally accepted accounting principles, fiscal year revenues are based on March through February payments from the State.

County ordinances provide that sales tax revenue not budgeted for debt service payments may be used to pre-fund employee benefit costs, to fund anticipated or extraordinary annual increases in such costs or to supplement the Appropriation for Contingencies.

The County budgeted sales tax collections, including amounts allocated to the capital improvements budget, of approximately $69.05 million for 2015.

Milwaukee County
Five-Year Summary of Revenues, Expenditures, and Changes in Fund Balance – General Fund
For The Years Ended December 31, 2010 Through 2014
(in Thousands of Dollars)

	2010	2011	2012	2013	2014
Revenues:					
Intergovernmental Revenue	$ 306,875	$ 279,289	$ 227,996	$ 227,681	$ 226,512
Sales Taxes	61,114	63,968	64,295	60,087	60,315
Property Taxes	266,973	273,297	279,179	283,632	284,462
Investment Income	3,212	2,369	2,698	134	203
Charges for Services	374,063	391,496	398,093	406,364	413,692
Fines and Forfeitures	3,284	2,932	2,621	2,172	1,680
Licenses and Permits	640	453	577	642	782
Other	40,012	48,377	54,502	32,989	30,581
Total Revenues	1,056,173	1,062,181	1,029,961	1,013,701	1,018,227
Expenditures:					
Legislative, Executive and Staff	21,309	21,433	23,382	20,053	17,995
Courts and Judiciary	55,384	52,699	53,383	50,229	51,435
General Governmental Services	6,747	6,746	9,939	11,070	13,261
Public Safety	154,196	159,708	145,119	146,410	144,219
Public Works and Highways	41,256	44,109	45,123	46,841	53,865
Human Services	610,514	590,604	553,475	552,952	552,743
Parks, Recreation and Culture	63,236	64,576	64,477	63,281	63,609
Other	--	--	--	--	--
Total Expenditures	952,642	939,875	894,898	890,836	897,127
Excess of Revenues Over Expenditures	103,531	122,306	135,063	122,865	121,100
Other Financing Sources (Uses):					
Proceeds from Capital Leases	--	--	--	1,383	324
Long-Term Debt Issued	340	--	--	--	--
Transfers In	54,503	7,816	9,576	18,470	19,140
Transfers Out	(157,106)	(115,311)	(135,414)	(136,867)	(134,333)
Total Other Financing Uses	(102,263)	(107,495)	(125,838)	(117,014)	(114,869)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,268	14,811	9,225	5,851	6,231
Fund Balance - January 1:	43,907	45,175	59,986	69,211	75,062
Fund Balance - December 31:	$ 45,175	$ 59,986	$ 69,211	$ 75,062	$ 81,293

Source: Derived from Milwaukee County Comprehensive Annual Financial Reports, 2010 - 2014

Milwaukee County
Five-Year Summary of Revenues, Expenses and Changes in Net Position – All Proprietary Funds
For The Years Ended December 31, 2010 Through 2014
(in Thousands of Dollars)

	2010	2011	2012	2013	2014
Operating Revenues:					
Charges for Services	$ 163,293	$ 173,268	$ 155,033	$ 155,407	$ 155,046
Other	6,196	4,660	4,156	4,053	4,486
Total Operating Revenues	169,489	177,928	159,189	159,460	159,532
Operating Expenses:					
Personnel Services	151,494	151,281	143,000	139,527	138,922
Contractual Services	53,861	53,726	47,919	47,307	50,503
Intra-County Services	14,270	13,748	11,800	12,523	12,320
Commodities	17,657	21,641	22,425	23,582	23,764
Depreciation and Amortization	30,857	35,871	34,237	36,260	43,169
Maintenance	2,250	2,418	2,160	603	1,090
Insurance	7,244	7,102	7,542	11,039	11,325
Other	3,039	2,289	3,798	1,834	1,203
Client Payments	4	--	1,294	1,295	1,302
Total Operating Expenses	280,676	288,076	274,175	273,970	283,598
Operating Income (Loss):	(111,187)	(110,148)	(114,986)	(114,510)	(124,066)
Nonoperating Revenues (Expenses):					
Intergovernmental Revenues	91,246	91,153	93,732	89,733	92,932
Other Nonoperating Revenues (Expenses)	162	313	4,817	(2,663)	--
Net Interest Expense	(11,969)	(12,214)	(10,951)	(11,289)	(11,542)
Total Nonoperating Revenues	79,439	79,252	87,598	75,781	81,390
Income (Loss) Before Contributions and Transfers	(31,748)	(30,896)	(27,388)	(38,729)	(42,676)
Net Capital Contributions	49,100	53,055	51,494	37,362	72,905
Net Operating Transfers From Other Funds	22,163	19,066	21,432	41,743	41,503
Net Operating Transfers Out	(6,716)	(3,997)	(13,331)	(9,939)	(17,311)
Change in Net Position:	32,799	37,228	32,207	30,437	54,421
Net Position - January 1:	200,044	232,843	270,071	302,278	332,715
Net Position - December 31:	$ 232,843	$ 270,071	$ 302,278	$ 332,715	$ 387,136

Source: Derived from Milwaukee County Comprehensive Annual Financial Reports, 2010 - 2014

Milwaukee County
2014 and 2015 Adopted Budgets

	2014 Adopted Budget	2015 Adopted Budget
Expenditures		
Legislative & Executive	$ 6,190,006	$ 5,694,236
Administration	73,862,117	86,526,372
Courts & Judiciary	64,467,167	67,617,662
Public Safety	165,527,141	179,987,016
General Government	15,226,322	14,489,763
Transportation and Public Works	228,331,299	244,554,486
Health & Human Services	572,808,151	569,075,914
Parks, Recreation & Culture	75,730,604	80,703,275
Debt Service	63,793,941	50,522,841
County-Wide Non-Departmentals	(40,040,011)	(52,604,196)
Capital Improvements	80,034,220	90,101,760
Trust Funds	1,019,657	1,059,890
Total Expenditures	**$ 1,306,950,612**	**$ 1,337,729,019**
Revenues		
Operating		
Sales Tax	$ 57,055,255	$ 59,643,731
Bond Proceeds	10,000	--
Other Direct Revenue	509,274,649	576,856,073
State Shared Revenue	31,080,305	31,163,647
Remaining State Revenue	223,762,319	229,394,404
Total Federal Revenue	62,691,320	63,059,779
Indirect Revenue	59,234,019	--
Prior Year Surplus (Deficit)	5,000,000	5,000,000
Operating Revenue Subtotal	**$ 948,107,868**	**$ 965,117,634**
Capital Improvement		
Sales Tax	9,437,025	9,326,269
Bond Proceeds	37,466,557	51,734,665
Other Direct Revenue	8,535,175	4,773,364
Remaining State Revenue	2,927,001	1,221,850
Total Federal Revenue	21,155,792	22,570,112
Capital Improvement Revenue Subtotal	**$ 79,521,550**	**$ 89,626,260**
Property Tax Levy	**$ 279,321,196**	**$ 282,985,125**
Total Revenues	**$ 1,306,950,613**	**$ 1,337,729,019**

Source: County's Adopted Budgets, 2014-2015

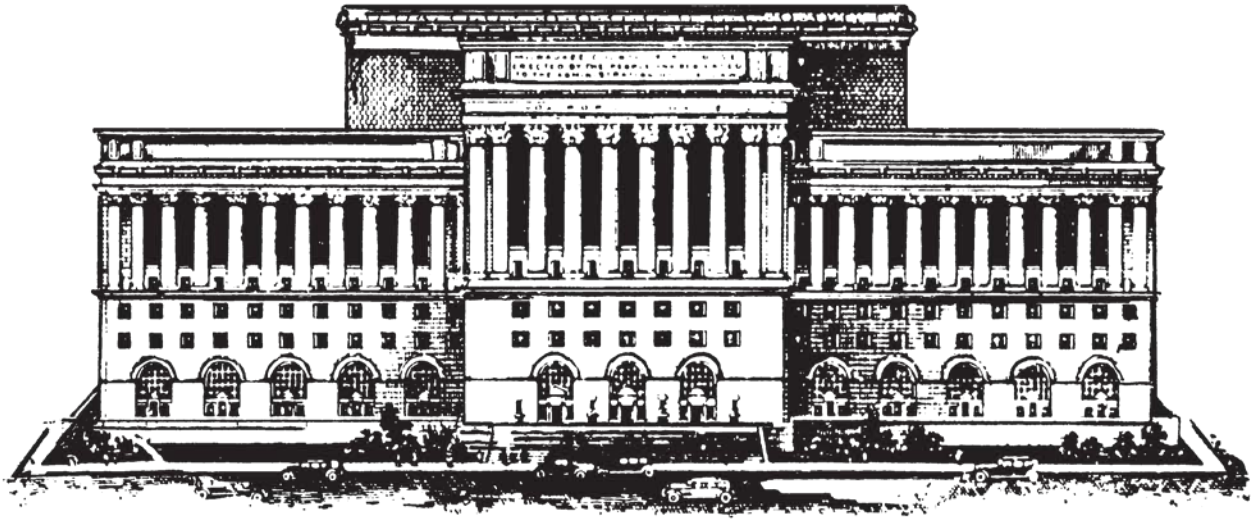
APPENDIX A

ANNUAL FINANCIAL STATEMENTS

The County is audited annually by an independent public accounting firm. This appendix presents the County's audited Basic Financial Statements for the fiscal year ended December 31, 2014. Copies of the County's Comprehensive Annual Financial Report are available on-line at:

http://county.milwaukee.gov/ComprehensiveAnnualF12237.htm

COUNTY OF
MILWAUKEE, WISCONSIN



COMPREHENSIVE ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

County of Milwaukee
Milwaukee, Wisconsin

As of and For the Year Ended December 31, 2014

Prepared by:
Office of the Comptroller
Central Accounting

COUNTY OF MILWAUKEE, WISCONSIN

Table of Contents
As of and For the Year Ended December 31, 2014

I. INTRODUCTORY SECTION (Unaudited) **Page**

Letter of Transmittal 2
GFOA Certificate of Achievement for Excellence in Financial Reporting for 2013 24
Organizational Chart 25
List of Principal Officials and Committees 26

II. FINANCIAL SECTION

Independent Auditors' Report 30
Management's Discussion and Analysis (Unaudited) 33

BASIC FINANCIAL STATEMENTS:
Government-wide Financial Statements:
Statement of Net Position 53
Statement of Activities 56

Fund Financial Statements:
Governmental Funds Financial Statements:
Balance Sheet 57
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 58
Statement of Revenues, Expenditures, and Changes in Fund Balance - Government Funds 59
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities 60
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund 61

Proprietary Fund Financial Statements:
Balance Sheet 62
Statement of Revenues, Expenses, and Changes in Net Position 64
Statement of Cash Flows 65

Fiduciary Fund Financial Statements:
Statement of Net Position 67
Statement of Changes in Net Position - Pension Trust Fund 68

Component Unit Financial Statements:
Combining Balance Sheet 69
Combining Statement of Revenues, Expenses, and Changes in Net Position 70

COUNTY OF MILWAUKEE, WISCONSIN

Table of Contents
As of and For the Year Ended December 31, 2014

II. FINANCIAL SECTION (cont.)

NOTES TO THE BASIC FINANCIAL STATEMENTS:

1. Summary of Significant Accounting Policies 72
2. Stewardship, Compliance, and Accountability 90
3. Deposits and Investments 92
4. Receivables 106
5. Capital Assets 108
6. Interfund Transfers 122
7. Leases 122
8. Long-Term Liabilities 124
9. Net Position 133
10. Risk Management 135
11. Related Party Transactions 136
12. Subsequent Events 138
13. Commitments and Contingencies 138
14. Other Post-Employment Benefits 139
15. Employee Retirement Systems and Pension Plans 146
16. Pending Governmental Accounting Standards 160

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of Funding Progress - ERS and OBRA Pension Plans 164
Schedule of Employer and Other Contributions - ERS and OBRA Pension Plans 165
Schedule of Funding Progress – OPEB 166
Schedule of Employer Contributions – OPEB 166
Schedule of Funding Progress - Transit Pension Plan 167
Schedule of Employer Contributions - Transit Pension Plan 167

SUPPLEMENTARY INFORMATION
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:

Budgetary Comparison Schedules:
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:
General Fund – (Non-GAAP Budgetary Basis) 170
Debt Service Fund 172
Capital Projects Fund – (Non-GAAP Budgetary Basis) 173
Airports Enterprise Fund – (Non-GAAP Budgetary Basis) 174
Transit Enterprise Fund – (Non-GAAP Budgetary Basis) 175
Nonmajor Governmental Funds
Combining Balance Sheet 177
Combining Statement of Revenues, Expenses and Changes in Fund Balances 178

COUNTY OF MILWAUKEE, WISCONSIN

Table of Contents
As of and For the Year Ended December 31, 2014

II. FINANCIAL SECTION (cont.)

Internal Service Funds:
- Combining Balance Sheet 180
- Combining Statement of Revenues, Expenses, and Changes in Net Position 181
- Combining Statement of Cash Flows 182

Fiduciary Funds:
- Combining Statement of Changes in Assets and Liabilities - Agency Funds 184

OTHER SUPPLEMENTARY INFORMATION:

Milwaukee County Family Care Fund:
- Balance Sheet 186
- Statements of Revenues, Expenses and Changes in Net Position 187
- Statement of Cash Flows 188

III. STATISTICAL SECTION (Unaudited)

FINANCIAL TRENDS SCHEDULES:
- Net Position by Component 191
- Changes in Net Position 193
- Fund Balances of Governmental Funds 196
- Changes in Fund Balance - Governmental Funds 198

REVENUE CAPACITY SCHEDULES:
- Property Tax Levies and Collections 200
- Equalized Value of Taxable Property 201
- Property Tax Rates per $1,000 of Equalized Value 202
- Property Tax Rates by Municipality per $1,000 of Assessed Value 203
- Weighted Average of Property Taxes to Taxable Equalized Value 204
- Top Fifteen Principal Property Taxpayers 205

DEBT CAPACITY SCHEDULES:
- Outstanding Debt by Type 206
- Ratio of Net Bonded Debt to Equalized Value and Net Bonded Debt per Capita 207
- Computation of Legal Debt Margin 208
- Direct and Overlapping Bonded Debt & Capital Leases 209

DEMOGRAPHIC AND ECONOMIC INFORMATION SCHEDULES:
- Demographic and Economic Statistics 210
- Principal Private Sector Employers 211

OPERATING INFORMATION SCHEDULES:
- County Employees by Function – (Actual to Budgeted) 212
- Operating Indicators by Function 216
- Capital Asset Statistics by Function 223

COUNTY OF MILWAUKEE, WISCONSIN

INTRODUCTORY SECTION
(Unaudited)

- **Letter of Transmittal**
- **GFOA Certificate of Achievement for Excellence in Financial Reporting for 2013**
- **Organizational Chart**
- **List of Principal Officials and Committees**

Office of the Comptroller
Milwaukee County
Scott B. Manske • Comptroller

July 31, 2015

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

A) COMPREHENSIVE ANNUAL FINANCIAL REPORT ("CAFR"):

CAFR Overview

The Comprehensive Annual Financial Report ("CAFR") of Milwaukee County, Wisconsin ("County") for the year ended December 31, 2014 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.

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

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

- **Notes to the Financial Statements** are explanatory notes to the financial statements as required by governmental accounting standards.

3) **Required Supplementary Information** is required schedules of supplementary data immediately after the notes to the financial statements.

4) **Combining and Individual Fund Statements and Schedules** show the combining statements for the non-major governmental funds, the internal service funds, as well as budgetary comparisons for major funds other than the General Fund. As noted earlier, the internal service funds are combined and reported as a separate column in the proprietary fund financial statements. They are presented here because they are not considered to be major funds.

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

B) COUNTY GOVERNMENT

A County Executive and an 18 - member Board of Supervisors govern Milwaukee County. The County Executive, 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 ("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 Human Resources
- Director - Department of Health and Human Services
- Director - Department of Parks, Recreation and Culture
- Director - Department of Transportation and Public Works

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

- Child Support Services
- Family Care
- House of Correction
- UW - Extension
- Zoological Gardens
- 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 Human Resources, Corporation Counsel and boards and commissions such as the Civil Service Commission, Ethics Board, and the Personnel Review Board.

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

The **Department of Human Resources ("DHR")** provides Milwaukee County government with an equitable and effective system for the recruitment, classification, compensation, development and retention of a talented, skilled and culturally diversified workforce. DHR 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, and/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.

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 is 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 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")** is required to monitor and report on the County's current fiscal health, to act as the County auditor, and to provide an independent fiscal review on any proposed spending at the request of the County Board and/or County Executive. The Comptroller also acts under authority vested in the office by the Wisconsin Statutes. The OOC consists of Accounts Payable, Administration, Audit Services, Capital and Debt Monitoring, Central Accounting, Central Payroll, and Research and Policy.

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.

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.[1]

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.

[1] In 2015, the County consolidated various emergency management functions into the new Office of Emergency Management. This consolidation included Emergency Medical Services ("EMS") from the Department of Health and Human Services, 911 Communication Services from the Office of the Sheriff and Radio Services from the Department of Administrative Services – Information Management Services Division.

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

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 ***Emergency Medical Services ("EMS")*** program 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.[2]

[2] In 2015, the County consolidated various emergency management functions into the new Office of Emergency Management. This consolidation included Emergency Medical Services ("EMS") from the Department of Health and Human Services, 911 Communication Services from the Office of the Sheriff and Radio Services from the Department of Administrative Services – Information Management Services Division.

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, outpatient care and day treatment. Acute hospital admissions are initiated by voluntary application or through legal detention methods such as court commitment. Extended care services are provided at federally certified, skilled nursing facilities and at facilities for the developmentally disabled. Day treatment is offered to patients who have progressed to the stage where inpatient hospitalization is no longer indicated but who require more intensive treatment than is available in an outpatient facility. The Community Services Branch provides both mental health and alcohol and other drug addiction services through contracts with community service providers or at community clinics. Over the past couple of years, the BHD has phased out its extended care services and moved long-term care patients into community settings.

On April 10, 2014, Wisconsin Act 203 ("Act 203") related to County mental health services became effective. Act 203, among other things, removed all mental health jurisdiction from the County Board and put it under the jurisdiction of the newly created Milwaukee County Mental Health Board ("MCMHB"). The MCMHB is appointed by the Governor with input by the County Executive and County Board. There are two ex officio members.

The total 2014 budgeted tax levy for the services provided under the jurisdiction of the MCMHB was $57.5 million; a total of 625 full time equivalents were also transferred to the jurisdiction of the MCMHB. Beginning with the 2015 Budget, the MCMHB will recommend an operating budget to the County Executive. The final budget presented by the County Executive must have a levy between $53 and $65 million unless the County Board, MCMHB and County Executive agree to an amount outside the range. The County Board has no authority to approve a tax levy amount other than that presented by the County Executive. Since the MCMHB does not have direct bond authority, any capital projects needed would have to be paid from current operating appropriations or through bonds, if approved by the County Board of Supervisors.

The **Department on Aging** 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 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.

DFC, 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 156 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 tradeshows. 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 ("Zoo"), one of the country's finest zoological attractions with over 400 species and 2,700 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; 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 2014 was 1,267,356 visitors.

The **Marcus Center for the Performing Arts** ("Marcus Center") is a cultural center that hosts the Milwaukee Symphony Orchestra, Milwaukee Ballet Company, Florentine Opera, Milwaukee Youth Symphony, First Stage Milwaukee and other special arts groups and entertainment events. The County's annual operating contribution to the Marcus Center for 2014 is $1.1 million.

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

MPM hosts international exhibitions annually and had attendance of 430,005 in 2014. 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 6,554,152 passengers in 2014. It is the only airport in Wisconsin with service from all the major domestic airlines.

Nine airlines provide approximately 125 daily departures to 39 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.

LJT is located in the northwest quadrant of the County. This 420-acre general aviation facility serves privately owned aircraft and provides pilot training through its flight school.

Operating expenses of both airports are entirely supported by user fees. No property tax dollars are used for capital improvements or for day-to-day operations.

The **Milwaukee County Transit System** ("MCTS") is the County's mass transit system and is operated by the Department of Transportation. MCTS has an active bus fleet of 405 buses serving 60 regular service routes. Bus fares are collected on approximately 33.2 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. 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 was scheduled to conclude at the end of 2014. The 2014 Budget included language stating unless the County Board approved a contract for outside management and operation of the transit system by April 1, 2014, the policy of Milwaukee County was to bring management and operation of transit in-house. However, it was determined that the transit management services provider was a quasi-governmental corporation of the County. This designation allowed the County to continue providing transit services with the same transit management services provider without issuing an RFP or bringing management and operation in-house.

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 949,741 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 595,993 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 1.4 million tons of salt, 500,000 tons of cement and cement products, 600,000 tons of coal, and more than 50,000 tons of specialty products come through the port on an annual basis. The port 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 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, 2014 population estimate for the County by the State of Wisconsin Department of Administration is 949,741. 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)

				Unemployment Rate	
Year	Labor Force	Employment	Unemployment	Milwaukee County	State of Wisconsin
2014	480,920	447,273	33,647	7.0%	5.5%
2013	479,833	439,536	40,297	8.4%	6.8%
2012	476,448	435,440	41,008	8.6%	7.0%
2011	477,744	433,336	44,408	9.3%	7.8%
2010	476,448	428,833	47,615	10.0%	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.

Per Capita Personal Income

Year	Milwaukee County	State of Wisconsin	United States
2014	Not Available	$44,585	Not Available
2013	$41,017	43,244	$44,765
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

According to the Milwaukee Metropolitan Association of Commerce Business Outlook Survey, Second Quarter, 2015, 83 percent of area businesses surveyed expected sales increases in 2015, 71% forecast profit gains and over half expect job growth in the calendar year.

Quarterly employment expectations are highly optimistic with fifty-nine percent of all businesses surveyed predicting second-quarter, 2015 job gains for their local operations (vs. 2014's second quarter). Companies are over six times more likely to forecast employment gains for 2015's second quarter than declines (9%). Thirty-two percent see no change. The survey contains responses from 102 Milwaukee area firms, employing more than 38,500 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 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 current year would be encumbered against new budgeted appropriations. Expenditures are then recorded when the services or materials are received, which will release the encumbrance.

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

Auditing. Pursuant to Wisconsin Statutes and Milwaukee County General Ordinances, the Milwaukee County Comptroller, a 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 expenditures of federal and state awards. These audits are conducted in accordance with auditing standards generally accepted in the United States; Government Auditing Standards issued by the Comptroller General of the United States; the 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.

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 assists 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.

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

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, 2014, the County had $685.0 million of net general obligation debt outstanding, representing 23.5 percent of the $2.9 billion debt limit. The debt limit is based upon equalized value of County property of $58.3 billion.

Approximately 73.0 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 2014, total debt of the County, which includes general purpose and Airport revenue bond obligations, was $911.3 million. As of December 31, 2014, approximately $221.1 million or 24.6 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	Standard & Poor's	Fitch IBCA
Aa2	AA	AA+

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

Future Fiscal Outlook. The Comptroller monitors the County's five-year forecast and provides an annual update to the County Board and County Executive each 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 $159 million by 2015, assuming no structural changes. The updated 2014 model shows significant improvement for the 2015 forecasted structural deficit, despite the impact of the recession. A comparison of the two forecasts is shown below.

Year	2009 Model (Millions)	2014 Model (Millions)
2015	(159)	(32)
2016	(179)	(48)
2017	(201)	(65)
2018	N/A	(76)
2019	N/A	(94)

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 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 were brought against both the State and the County. The lower courts both issued opinions as to the legality of Acts 10 and 32, and the parties appealed the decisions to Federal Appeals Court and to State Appeals Court. Both the Federal Appeals Court and Wisconsin Supreme Court have ruled in favor of the State, upholding the legality of Acts 10 and 32.

Several legal challenges were 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, the modification of the backdrop pension benefit and Rule of 75 for certain AFSCME-represented employees. Final rulings have been issued in favor of the County on all but the Rule of 75 case which is still pending in circuit court.

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.

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:

- If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally authorized before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy unless the political subdivision does not utilize the "unused levy" provision of the local levy limit statute.

- For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts.

- The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

E) OTHER INFORMATION

Independent Audit

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

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

The audit is performed to provide reasonable assurance that the financial statements are free of material misstatement. The audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates

made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit, that there is a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended December 31, 2014 are fairly presented in conformity with Generally Accepted Accounting Principles. The independent auditors' report is presented as the first component of the financial section of the CAFR.

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report ("CAFR") for the year ended December 31, 2013. This is the thirty-fifth (December 31, 1979 through December 31, 2013) consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

Acknowledgements

The preparation of this report could not have been accomplished without the dedicated service of the entire staff of the Office of the Comptroller and the assistance of personnel in the various departments and through the competent service of the independent public accountants. We would like to express our appreciation to all persons who assisted in its preparation.

Respectfully submitted,

Scott B. Manske
Milwaukee County Comptroller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Milwaukee

Wisconsin

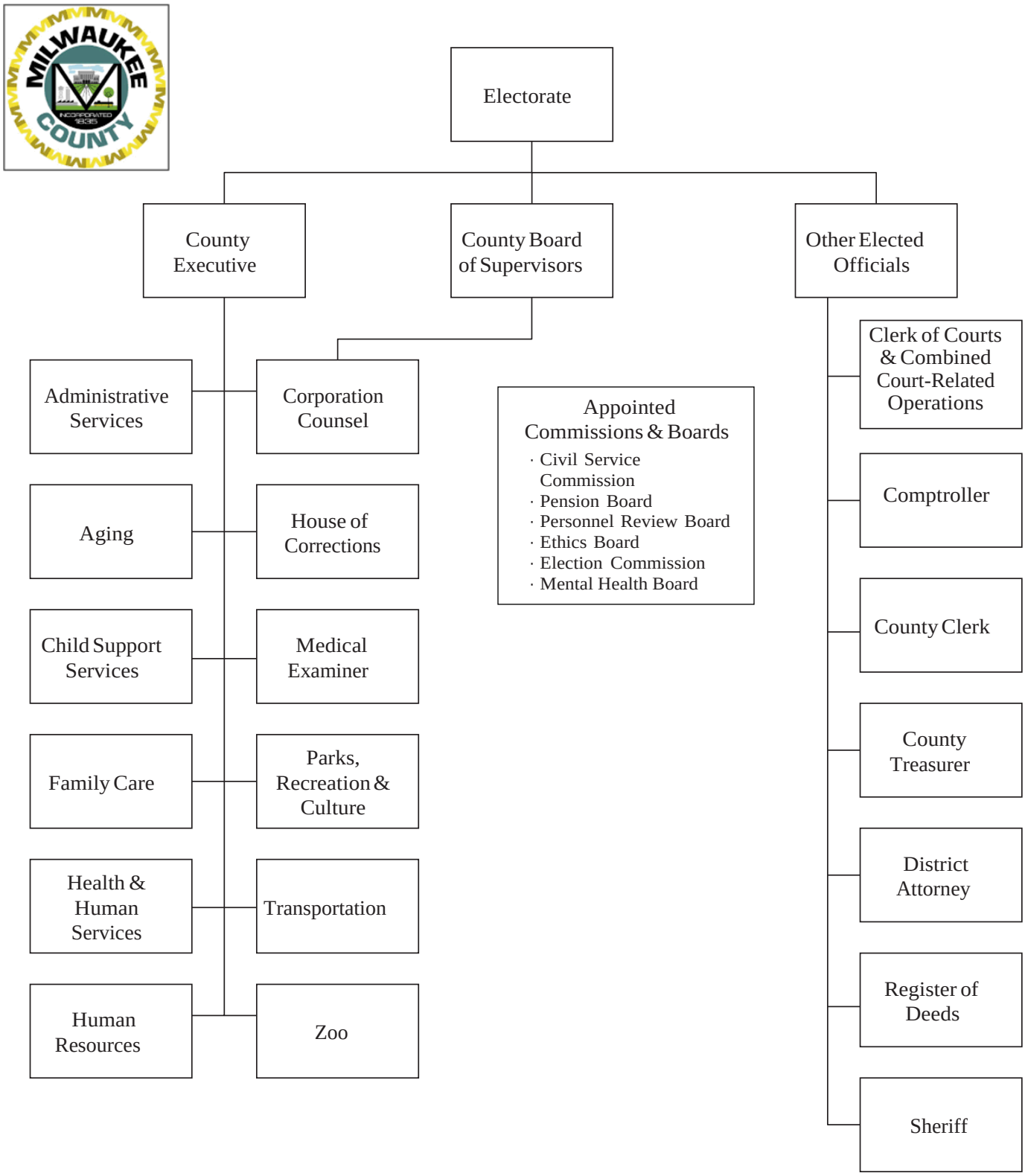
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

COUNTY OF MILWAUKEE, WISCONSIN

Organizational Chart



COUNTY OF MILWAUKEE, WISCONSIN

List of Principal Officials and Committees
December 31, 2014

ELECTED

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

APPOINTED

Department	Title	Name
Administrative Services	Director	Don Tyler
Aging	Director	Stephanie Sue Stein
Airport	Interim Director	Terry Blue
Audit	Director	Jerome J. Heer
Behavioral Health Division	Administrator	Patricia Schroeder
Child Support Services	Director	James Sullivan
Circuit Courts	Chief Judge	Jeffrey A. Kremers
Corporation Counsel	Corporation Counsel	Paul Bargren
Economic Development	Director	Teig Whaley-Smith
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	Laurie Panella
Medical Examiner	Medical Examiner	Brian L. Peterson, MD
Parks, Recreation, and Culture	Director	John Dargle, Jr.
Transportation and Public Works	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, 2014

ELECTED

COUNTY BOARD OF SUPERVISORS - (By District Number)

1- Theodore A. Lipscomb, Sr.
2- Khalif Rainey
3- Gerry P. Broderick
4- Marina Dimitrijevic – (Chair)
5- Martin Wedde
6- James Schmitt
7- Michael Mayo, Sr.
8- Patricia Jursik
9- Steve F. Taylor
10- Vacant
11- Mark Borkowski
12- Peggy Romo West
13- Willie Johnson, Jr.
14- Jason Haas
15- Vacant
16- John F. Weishan, Jr.
17- Anthony Staskunas
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.

- The **Judiciary, Safety and General Services Committee** considers legal questions concerning lawsuits or claims by or against the County, claims for workers compensation, personal injuries and property damage. Members set policy for County Funded State Court Services, Family Court Commissioners, Jury Commission, Register in Probate, Election Commission, County Clerk, Register of Deeds, Legal Resource Center, Sheriff, Medical Examiner, Safety Commission, District Attorney, House of Correction, Department of Child Support Enforcement, Corporation Counsel and Emergency Management.

- 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**

Baker Tilly Virchow Krause, LLP
777 E. Wisconsin Ave., 32nd Floor
Milwaukee, WI 53202-5313
tel 414 777 5500
fax 414 777 5555
bakertilly.com

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, 2014, 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 44 percent, 48 percent and 60 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.

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, 2014 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1.E, the County of Milwaukee adopted the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25,* GASB Statement No. 69, *Government Combinations and Disposals of Government Operations,* GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees,* effective January 1, 2014. 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, 2014 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, 2014 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, 2014, 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, 2014.

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, 2013 (not presented herein), and have issued our report thereon dated July 31, 2014, which contained unmodified opinions on the respective financial statements of the 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, 2013 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 2013 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2013 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, 2013.

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, 2015 on our consideration of the County of Milwaukee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Milwaukee's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
July 31, 2015

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis
As of and For the Year Ended December 31, 2014
(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, 2014. 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 $698,444 on a government-wide basis as of December 31, 2014. The unrestricted net position of the County is a deficit of ($316,226).

- For the fiscal year, program and general revenues of the County's governmental activities totaled $1,080,524. Expenses totaled $1,028,461 including transfers out of $18,281.

- For 2014, revenues of the County's business-type activities are $316,254 including transfers in of $18,281. Expenses totaled $264,959.

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, 2014, the County's governmental funds reported combined ending fund balances of $237,304 as compared to $213,235 for the year ended December 31, 2013.

- The County's enterprise funds had combined net position of $385,703 as of December 31, 2014, compared to $334,408 as of December 31, 2013.

- In November 2014, the County issued General Obligation Corporate Purpose Bonds, Series 2014A in the amount of $39,240, to finance various general capital projects in the County.

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 2014. 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.

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

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.

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 72-161 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 164-167 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 170-184 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 Fund program.

The other supplementary information can be found on pages 186-188 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 2014, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $698,444 at the close of the fiscal year. The County's net position increased by $103,358 during the fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

County of Milwaukee, Wisconsin
Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Primary Government Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	$ 704,889	$ 680,288	$ 148,277	$ 178,427	$ 853,166	$ 858,715
Long-Term Assets	434,939	433,822	56	1,955	434,995	435,777
Capital Assets	653,844	650,978	546,993	479,457	1,200,837	1,130,435
Total Assets	1,793,672	1,765,088	695,326	659,839	2,488,998	2,424,927
Deferred Outflow of Resources	15,836	18,087	162	130	15,998	18,217
Total Assets and Deferred Outflows of Resources	$ 1,809,508	$ 1,783,175	$ 695,488	$ 659,969	$ 2,504,996	$ 2,443,144
Current Liabilities	$ 235,866	$ 257,670	$ 52,309	$ 55,398	$ 288,175	$ 313,068
Long-Term Liabilities	967,423	974,252	257,476	270,163	1,224,899	1,244,415
Total Liabilities	1,203,289	1,231,922	309,785	325,561	1,513,074	1,557,483
Deferred Inflow of Resources	293,478	290,575	-	-	293,478	290,575
Net Position:						
Net Investment in Capital Assets	396,649	372,792	345,437	299,463	742,086	672,255
Restricted	232,751	209,509	39,833	34,453	272,584	243,962
Unrestricted (deficit)	(316,659)	(321,623)	433	492	(316,226)	(321,131)
Total Net Position	312,741	260,678	385,703	334,408	698,444	595,086
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 1,809,508	$ 1,783,175	$ 695,488	$ 659,969	$ 2,504,996	$ 2,443,144

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, 2014, the net investment in capital assets is $742,086, an increase of $69,831 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, 2014 totaled $272,584. 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.

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, 2014 the unrestricted net position balance is ($316,226). Unrestricted net position increased by $4,905 in 2014.

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, 2014 and 2013:

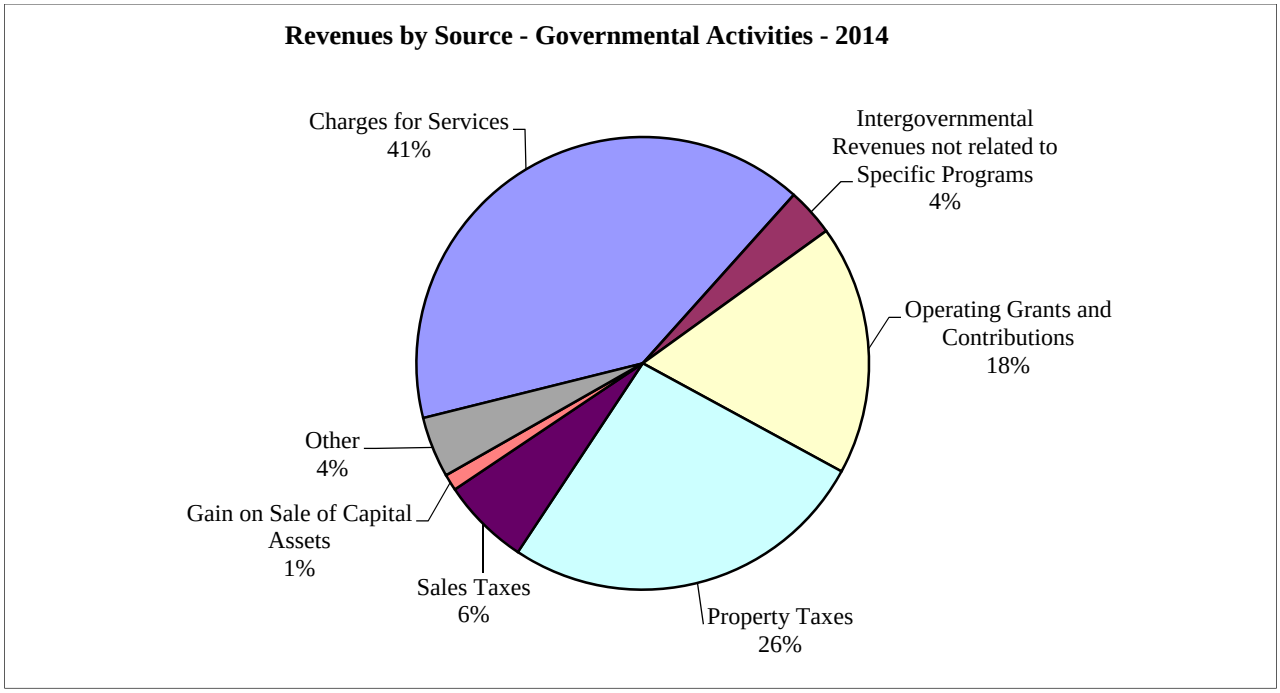
County of Milwaukee, Wisconsin
Summary of Changes in Net Position
(In Thousands)

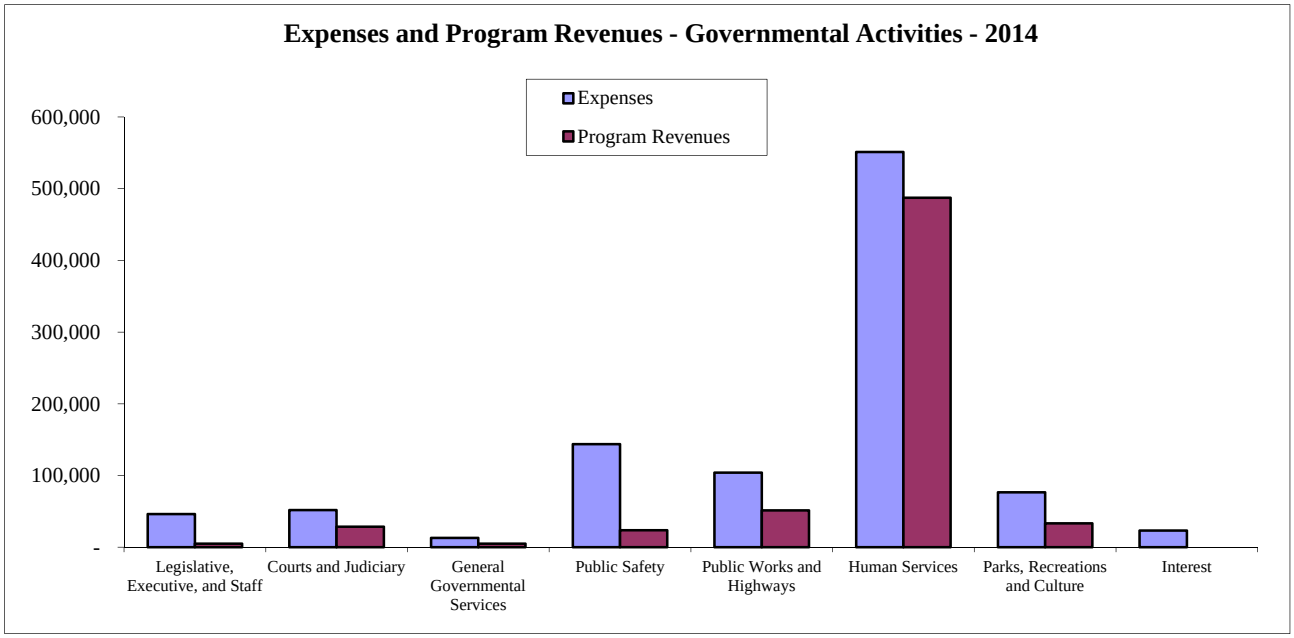
	Governmental Activities		Business-type Activities		Primary Government Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	$ 439,109	$ 444,537	$ 134,350	$ 134,387	$ 573,459	$ 578,924
Operating Grants and Contributions	192,671	191,048	91,780	88,342	284,451	279,390
Capital Grants and Contributions	2,590	3,979	71,114	37,362	73,704	41,341
General Revenues:						
Property Taxes	284,461	283,631	-	-	284,461	283,631
Sales Taxes	67,826	65,488	-	-	67,826	65,488
Intergovernmental Revenues not Related to Specific Programs	36,797	34,443	-	-	36,797	34,443
Investment Income	777	478	729	332	1,506	810
Gain on Sale of Capital Assets	12,696	36,315	-	123	12,696	36,438
Other Revenue	43,597	46,362	-	-	43,597	46,362
Total Revenues	**1,080,524**	**1,106,281**	**297,973**	**260,546**	**1,378,497**	**1,366,827**
Expenses:						
Legislative, Executive, and Staff	46,266	49,832	-	-	46,266	49,832
Courts and Judiciary	51,904	50,502	-	-	51,904	50,502
General Governmental Services	12,980	12,165	-	-	12,980	12,165
Public Safety	143,774	147,637	-	-	143,774	147,637
Public Works and Highways	104,079	79,849	-	-	104,079	79,849
Human Services	551,239	556,149	-	-	551,239	556,149
Parks, Recreation, and Culture	76,644	76,960	-	-	76,644	76,960
Interest	23,294	34,545	-	-	23,294	34,545
Airport	-	-	98,006	89,720	98,006	89,720
Transit	-	-	166,953	163,844	166,953	163,844
Total Expenses	**1,010,180**	**1,007,639**	**264,959**	**253,564**	**1,275,139**	**1,261,203**
Change in Net Position Before Transfers	**70,344**	**98,642**	**33,014**	**6,982**	**103,358**	**105,624**
Transfers	(18,281)	(26,842)	18,281	26,842	-	-
Change in Net Position	**52,063**	**71,800**	**51,295**	**33,824**	**103,358**	**105,624**
Net Position - Beginning of the Year	**260,678**	**188,878**	**334,408**	**300,584**	**595,086**	**489,462**
Net Position - End of the Year	**$ 312,741**	**$ 260,678**	**$ 385,703**	**$ 334,408**	**$ 698,444**	**$ 595,086**

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, 2014.





GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

2014 Actual Revenues compared to 2013 Actual Revenues

Actual Revenues for the County's governmental activities are $1,080,524 for the fiscal year 2014, representing a decrease of $25,757, or 2.3%, from fiscal year 2013. The various sources of revenue for fiscal year 2014 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 $439,109, a decrease of $5,428 from 2013. Charges for services represent collections from those who directly benefit from County services. The largest decrease is in the area of Human Services.

Operating grants and contributions revenue of $192,671 increased by $1,623 from 2013. Operating grants and contributions generally represent federal and state grant revenue with the majority supporting health and human service programs.

Capital grants and contributions decreased from $3,979 in 2013, to $2,590 in 2014. Both Parks and Highways have projects that are funded with capital grants.

Property tax revenue of $284,461 increased by $830 from 2013; property tax revenue as a percent of total governmental activity revenues increased by 0.7% from the prior year. Caps on increases in levy rates have limited the increase each year.

Sales tax revenue increased from $65,488 to $67,826 in 2014 as a result of a slightly stronger consumer spending than in 2013.

Intergovernmental revenues, not related to specific programs, increased by $2,354 in 2014 to $36,797.

Investment income increased by $299 in 2014 to $777.

In 2014, there is a gain on the sale of capital assets of $12,696 related to the sale of land to the State as part of the I94/I45 Zoo Interchange reconstruction project, as well as the UWM Innovation land sale.

Other revenue decreased in 2014 by $2,765 to $43,597.

2014 Actual Expenses compared to 2013 Actual Expenses

Actual total expenses for all of the County's governmental activities for the fiscal year 2014 are $1,010,180 representing an increase of $2,541 or 0.3% from 2013. Total expenses compared to program revenues by activity are shown in the bar graph on the previous page.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

The net increase in total expenses is due to an increase in expense of $24,230 in the Public Works and Highways departmental area. This increase is offset by decreases in other departmental areas, including Legislative Executive and Staff, Human Services, Interest and Public Safety.

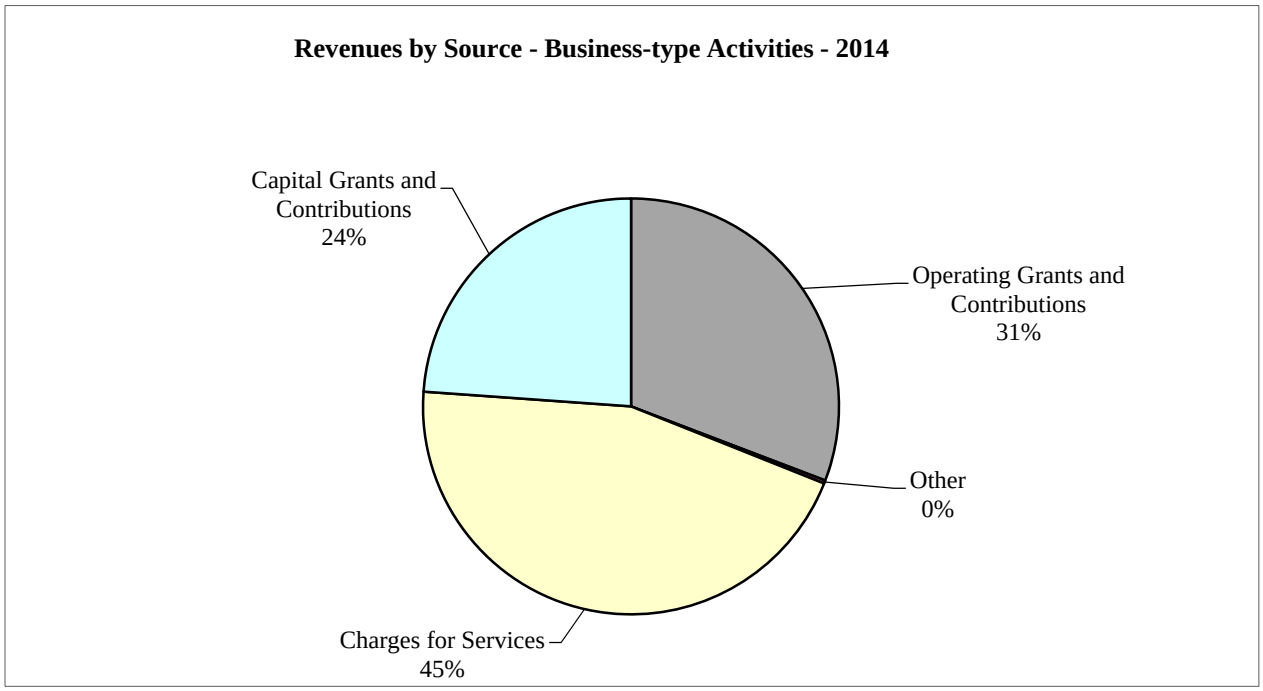
Current economic conditions have required the County to continue cost savings measures that have been implemented over the last several years. The following are some of the measures continued in 2014 to control costs:

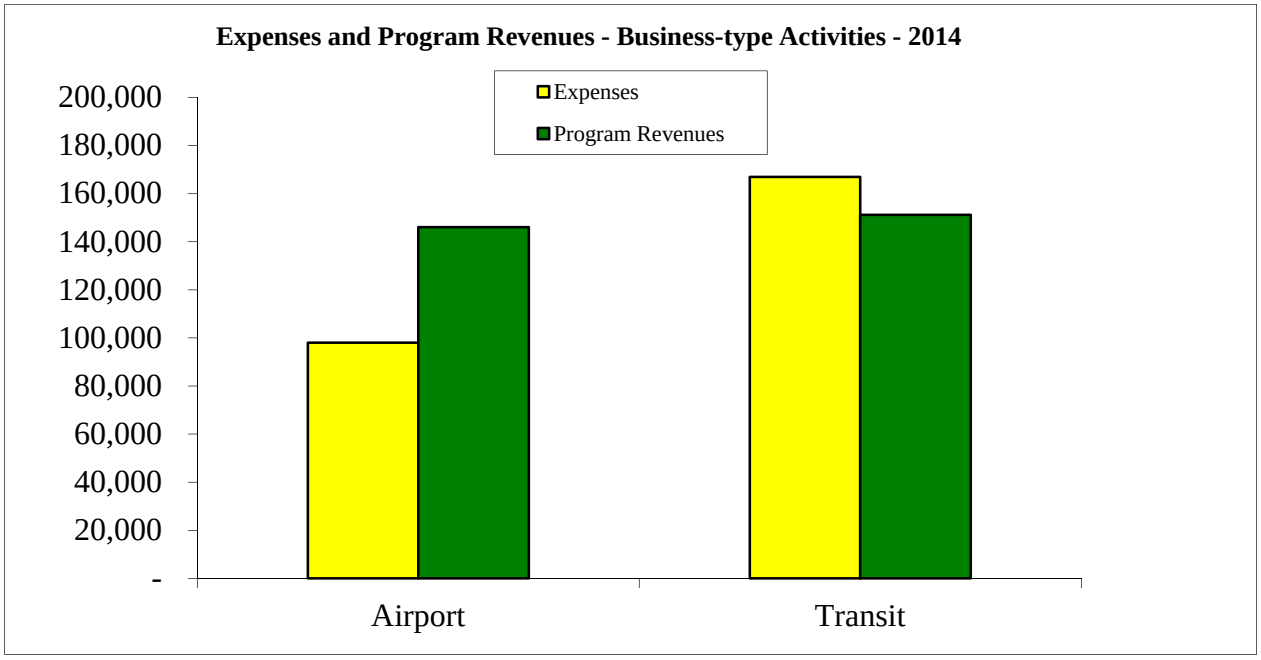
- Elimination of departmental positions due to downsizing and privatization of services
- Changes to departmental policies so as to limit overtime usage and holding positions vacant in order to achieve departmental cost savings
- Elimination of certain wage step increases
- Increase in employee contributions 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

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, 2014. The second graph compares the expenses and program revenues for the Airports and Transit System.





GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

In 2014, the Airports' revenue including fees charged to airlines for use of the airport and fees received from ancillary services of the airports fell short of its annual operating costs by $340. Charges for Services revenue from the Airport increased by $1,040 (or 1.2%) and operating expenses increased by $6,618 (or 8.2%) over the prior year. Total Passengers at General Mitchell International Airport increased 0.5% from 6.5 million passengers in 2013 to 6.6 million passengers in 2014. 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 is $29,945 for fiscal year 2014, which is an increase of $2,062 (or 7.4%) from the prior year. Total state and federal grants for the Transit System are $91,587 for 2014, which is an increase of $3,480 or 3.9% from 2013. Direct support from users of the Transit System is $43,352 (26.1% of total operating expenses) for 2014, which is a decrease of $1,532 from 2013. Transit expenses totaled $166,151, which is an increase of $3,477 from the prior year. The operator of the Transit System continues to institute 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, 2014, the County's governmental funds reported combined ending fund balances of $237,304. The restricted fund balance consists of $5,000 for 2016 appropriations, $5,000 for 2015 appropriations, $40,238 for debt service, $67,121 for commitments (including construction), $35,358 for Milwaukee County Family Care, $14,072 for delinquent property taxes, $185 for Housing, $27,398 for the Airport, $7,016 for Administrative Services, $1,118 for the Zoo, $1,532 for the Parks, $99 for the Persons with Disabilities Division, $17,855 for the Behavioral Health Division and $9,851 for the Fleet and Facilities Divisions. The remainder of the Fund Balance consists of $2,739 of committed funds for economic development and $2,722 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 fund balance of the general fund increased 8.3% from $75,062 to $81,293 in 2014. This change is due to an increase in the Behavioral Health Division from $0 in 2013 to $8,483 in 2014, offset by a slight decrease in Commitments from $10,181 in 2013 to $7,734 in 2014.

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

The debt service fund has a total fund balance of $40,238 all of which is restricted for the payment of debt service. In 2014, the debt service reserve increased by $5,274 or 15.1%, primarily as a result of a transfer in of a portion of the County's 2014 net excess of revenues over expenditures.

The capital projects fund balance is $59,387 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 is $11,111.

Proprietary funds

At the end of 2014, the unrestricted net position of the two major funds, Airports and the Transit System, totaled $433. The total net position of these same two major funds is $385,703 at the end of 2014, compared to $334,408 at the end of 2013. The total net position for the Airports increased by $50,925 while the total net position for the Transit System increased by $370. Restricted 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 $5,931 in the General Fund for the year ended December 31, 2014. 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 $12,180 in expenditures, pension and other expenditures of ($18) and transfers to component units of ($6,381).

County of Milwaukee, Wisconsin
Statement of Revenues, Expenditures and Changes in Net Position - Budgetary Basis
General Fund
For the Year Ending December 31, 2014
(In Thousands)

	Original Budget	Final Budget	Actual	Variance
Revenues and Other Sources				
Intergovernmental Revenue	$ 223,448	$ 232,356	$ 226,512	$ (5,844)
Taxes	339,777	339,776	344,777	5,001
Charges for Services	416,988	416,833	413,692	(3,141)
Other	17,473	37,473	33,246	(4,227)
Total	**997,686**	**1,026,438**	**1,018,227**	**(8,211)**
Expenditures and Other Uses				
Expenditures	901,953	940,935	902,908	38,027
Transfers	100,733	90,503	121,250	(30,747)
Total	**1,002,686**	**1,031,438**	**1,024,158**	**7,280**
Change in Fund Balance	**$ (5,000)**	**$ (5,000)**	**$ (5,931)**	**$ (931)**

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

2014 Actual Revenues compared to 2014 Final Budget

- Actual General Fund revenues are $8,211, or 0.8%, below the final budgeted amount.
- Property taxes were $1,741 or 0.6%, above the final budgeted amount while sales taxes are $3,260, or 5.7%, above the final budgeted amount.
- Charges for services are $3,141, or 0.8%, below the final budgeted amount; fines and forfeits are $1,466, or 46.6%, below the final budgeted amount; and licenses and permits are $153, or 24.3% above the final budgeted amount.
- Investment income is $1,718, or 89.4% below the final budget amount.
- Other revenues are $1,196, or 3.8% below the final budget amount.

2014 Actual Expenditures compared to 2014 Final Budget

Actual General Fund expenditures (before transfers), are $38,027 or 4.0%, below the final budgeted amount for fiscal year 2014. This is primarily due to:

- 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.
- Lower than anticipated client counts in Human Services.
- Program income partially offsetting program expense causing an expense variance in Human Services.

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.

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

The difference between original budget revenue of $997,686 and final budget revenue of $1,026,438 is an increase of $28,752. The difference between original budget expenses of $901,953 and final budget expenses of $940,935 is an increase of $38,982. The major budget transfers of $1,000 or greater during 2014 are listed below:

- **Legislative, Executive and Staff**
  - Total payments of $7,940 were received for the sale of County Grounds land. This resulted in an increase of $4,045 in revenues and expenditures for various projects and programs. Additionally, $215 was used for capital projects, $10 has been appropriated for contingencies, and the remaining $3,670 is held in a reserve for economic development.
  - An increase of $2,000 in revenues and expenditures resulting from a fund transfer from the Appropriation for Contingencies to the Risk Management Division due to significantly higher than anticipated worker's compensation costs.
  - An increase of $3,500 in revenues and expenditures resulting from a fund transfer into the Appropriation for Contingencies. The County received reimbursement from the State for fire-related costs from the Courthouse Fire.
- **Public Works and Highways**
  - An increase of $10,200 in revenues and expenditures for the Airport to enhance the current security surveillance system.
  - An increase of $3,000 in the debt service reserve and expenditures resulting from the sale general obligation bonds. Proceeds from the bond sale will be used to upgrade the County's radio system and consoles with digital equipment.
  - An increase of $8,500 in revenues and expenditures resulting from the sale of land to the State for the Zoo Freeway Interchange Reconstruction project.
  - An increase of $1,112 in revenues and expenditures was requested from WISDOT for reimbursement due to the harsh weather conditions in the first quarter of 2014.
  - An increase of $1,100 in expenditures resulting from an administrative fund transfer from the Debt Service Reserve account for City Campus relocation costs.
  - An increase of $2,615 in revenues and expenditures resulting from insurance proceeds for the Courthouse Fire Project.
  - A $2,481 increase in revenues and expenditures for Courthouse Space Rental costs due to increased expenditure authority resulting from the year-end breakeven process.

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

- **Human Services**
  - An increase of $5,636 in revenues and expenditures resulting mainly from an increase in member service claims due to increased enrollment.
  - An increase of $1,900 in revenues and expenditures resulting from a fund transfer, and due to the slower than expected closure of Rehabilitation Center-Hilltop.
- **Parks, Recreation & Culture**
  - An increase of $1,933 in revenues and expenditures from state and federal grants to the Parks Department to make repairs to parks facilities that were damaged during the July 2010 floods.
- **Various**
  - An increase of $2,889 in revenues and expenditures through additional expenditure authority to cover excess worker's compensation costs. The majority of this was transferred into the General Fund.

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 2014 actual net contribution made by the General Fund to other funds is $121,250.

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, the Department of Family Care, and the Behavioral Health Division.

The change in transfers between the original budget and the amended budget is due to the net changes in carryovers and encumbrances between years and any net transfers made from the general fund to proprietary fund departments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Milwaukee County's net investment in capital assets for its governmental and business-type activities as of December 31, 2014 is $1,200,837 (cost of $2,374,626 less accumulated depreciation of $1,173,789). The County's total investment in capital assets increased overall by 6.2% - governmental activities increased by 0.4% and business-type activities increased by 14.1%. The investments in capital assets includes land,

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

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 2014 included the following:

- $14,110 for General Mitchell International Airport (GMIA) Phase II residential sound insulation program.
- $1,120 for GMIA airfield pavement rehabilitation.
- $1,300 for GMIA terminal escalator replacement.
- $2,100 for GMIA 7L-25R resurfacing.
- $1,285 for LJT Runway 4L-22R pavement resurface.
- $1,146 for West Hampton 60th to N. 124th Street highway project.
- $5,307 for Mill Road 43rd St. to Sydney Pl. highway project.
- $3,770 for College Avenue – 13th to 20th Street highway project.
- $1,992 for House of Corrections HVAC system.
- $5,906 for Fleet General Equipment.
- $5,673 for War Memorial renovations.
- $7,126 for Build-Out Ten Sites to Digital.
- $2,860 for Windows migration.
- $1,249 for Humboldt Park Walkways.
- $3,195 for Menomonee River Parkway reconstruction.
- $1,962 for Pulaski Pool improvements.
- $1,774 for Zoo Aviary roof replacement.
- $4,800 for Zoo Hippopotamus exhibit renovations.

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

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

	Governmental Activities		Business-type Activities		Primary Government Total	
	2014	2013	2014	2013	2014	2013
Land	$ 59,311	$ 59,311	$ 22,100	$ 21,367	$ 81,411	$ 80,678
Construction in Progress	75,139	67,679	75,496	67,919	150,635	135,598
Land Improvements	95,809	96,130	108,126	107,388	203,935	203,518
Building and Improvements	260,744	258,096	247,564	191,079	508,308	449,175
Infrastructure	100,640	104,121	-	-	100,640	104,121
Machinery, Vehicles & Equipment	62,201	65,641	93,707	91,704	155,908	157,345
Total	$ 653,844	$ 650,978	$ 546,993	$ 479,457	$ 1,200,837	$ 1,130,435

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

Long-Term Debt

As of December 31, 2014, the County had total debt outstanding of $911,350. Of this amount, $690,314 comprised of general obligation bonds and $221,036 of airport revenue bonds.

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

	Governmental Activities		Business-type Activities		Primary Government Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	$665,313	$ 699,153	$ 25,001	$ 28,558	$690,314	$727,711
Revenue Bonds	-	-	221,036	230,481	221,036	230,481
Totals	**$665,313**	**$ 699,153**	**$246,037**	**$259,039**	**$911,350**	**$958,192**

The County's total debt decreased by $46,842 during the year ended December 31, 2014.

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

New debt issued by the County during 2014:

On November 6, 2014, the County issued General Obligation Corporate Purpose Bonds, Series 2014A in the amount of $39,240. These Notes were issued pursuant to Chapter 67 of the Wisconsin Statutes. The funds will be used to finance various general capital projects in the County.

Additional information on the County's Long-Term debt can be found in Note 8 on pages 124-133 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Milwaukee County annualized unemployment rate for 2014 was 7.0%, a 16.7% decrease from the 2013 rate of 8.4%. The unemployment rate for the month of May 2015 was 6.0%.

- The median price for homes sold in Milwaukee County in 2014 was $124 thousand compared to $115 thousand in 2013, a 7.4% increase. The annual median price for homes sold in Milwaukee County through May 2015 was $126 thousand, an increase of 12.4% from 2014. Data as reported by the Wisconsin Realtors Association, Housing Statistics Report.

During the 2014 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 2016 Appropriations and will be added to the revenue of the 2016 budget.

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

BASIC FINANCIAL STATEMENTS

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Net Position
As of December 31, 2014
(In Thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current Assets:				
Cash and Investments	$ 240,872	$ 74,625	$ 315,497	$ 11,427
Cash and Investments - Restricted	79,302	44,786	124,088	-
Receivables:				
Accounts (Net of Allowances for Doubtful Accounts)	23,029	4,720	27,749	1,672
Property Taxes:				
Current Levy	283,799	-	283,799	-
Delinquent	11,660	-	11,660	-
Accrued Interest and Dividends	8,759	-	8,759	-
Other	10,971	2,787	13,758	346
Due From Other Governments	40,377	15,501	55,878	-
Inventories	2,722	4,584	7,306	94
Prepaid Items	-	780	780	225
Other Assets	-	494	494	-
Insurance Deposits	3,398	-	3,398	-
Total Current Assets	704,889	148,277	853,166	13,764
Noncurrent Assets:				
Long-Term Investments	-	-	-	7,236
Receivables:				
Contributions	-	-	-	3,112
Delinquent Property Taxes	5,307	-	5,307	-
Net Pension Asset	429,632	-	429,632	-
Other Post Employment Benefit	-	56	56	-
Other Assets	-	-	-	848
Capital Assets (Net)				
Land	59,311	22,100	81,411	-
Construction in Progress	75,139	75,496	150,635	1,319
Land Improvements	260,811	196,634	457,445	-
Buildings and Improvements	701,846	399,280	1,101,126	44,732
Infrastructure	193,956	-	193,956	-
Machinery, Vehicles and Equipment	177,478	212,575	390,053	13,129
Less: Accumulated Depreciation	(814,697)	(359,092)	(1,173,789)	(34,096)
Total Capital Assets (Net)	653,844	546,993	1,200,837	25,084
Total Noncurrent Assets	1,088,783	547,049	1,635,832	36,280
Total Assets	1,793,672	695,326	2,488,998	50,044
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Loss on Refunding of Debt	15,836	162	15,998	-
Total Deferred Outflows of Resources	15,836	162	15,998	-
Total Assets and Deferred Outflows of Resources	$ 1,809,508	$ 695,488	$ 2,504,996	$ 50,044

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, 2014
(In Thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 58,001	$ 4,554	$ 62,555	$ 831
Accrued Liabilities	32,231	4,228	36,459	972
Accrued Interest Payable	4,101	1,386	5,487	12
Accrued Pension Payable	19,170	-	19,170	-
Due to Other Governments	25,165	-	25,165	-
Unearned Revenues	1,654	12,743	14,397	2,640
Bonds and Notes Payable - General Obligation	59,784	2,425	62,209	438
Bonds and Notes Payable - Revenue	-	10,750	10,750	-
Pollution Remediation Costs	1,285	-	1,285	-
Landfill Postclosure Costs	1,154	-	1,154	-
Compensated Absences Payable	20,562	5,586	26,148	-
Risk Claims	10,681	7,786	18,467	-
Capital Leases	1,275	132	1,407	24
Other Current Liabilities	803	2,719	3,522	1,257
Total Current Liabilities	235,866	52,309	288,175	6,174
Noncurrent Liabilities:				
Bonds and Notes Payable - General Obligation	605,529	22,576	628,105	1,220
Bonds and Notes Payable - Revenue	-	210,286	210,286	-
Unfunded Claims and Judgments	1,250	-	1,250	-
Landfill Postclosure Costs	6,387	-	6,387	-
Pollution Remediation Costs	14,958	-	14,958	-
Compensated Absences Payable	14,831	5,098	19,929	-
Risk Claims	8,782	5,250	14,032	-
Other Post Employment Benefits	311,679	13,962	325,641	-
Capital Leases	4,007	304	4,311	34
Other Noncurrent Liabilities	-	-	-	517
Accrued Pension and Postretirement Benefits	-	-	-	2,632
Total Noncurrent Liabilities	967,423	257,476	1,224,899	4,403
Total Liabilities	1,203,289	309,785	1,513,074	10,577
DEFERRED INFLOWS OF RESOURCES				
Unavailable Tax Revenue	293,478	-	293,478	-
Total Deferred Inflows of Resources	293,478	-	293,478	-

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, 2014
(In Thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
NET POSITION				
Net Investment in Capital Assets	$ 396,649	$ 345,437	$ 742,086	$ 23,368
Restricted for:				
2016 Appropriations	5,000	-	5,000	-
2015 Appropriations	5,000	-	5,000	-
Debt Service	40,238	19,044	59,282	-
Commitments	8,642	4,432	13,074	-
Capital Project Commitments	59,387	-	59,387	-
Department of Family Care - State Restricted	12,220	-	12,220	-
Department of Family Care - Excess Reserves	23,138	-	23,138	-
Delinquent Property Tax	14,072	-	14,072	-
Housing	185	-	185	-
Capital Asset Needs	-	16,357	16,357	-
Airport - Passenger Facilities Charges and Debt	27,398	-	27,398	-
Behavioral Health Division	17,855	-	17,855	-
Fleet and Facilities Divisions	9,851	-	9,851	-
Administrative Services	7,016	-	7,016	-
Zoo	1,118	-	1,118	-
Parks	1,532	-	1,532	-
Persons with Disabilities	99	-	99	-
Museum	-	-	-	10,691
Other	-	-	-	933
Unrestricted (Deficit)	(316,659)	433	(316,226)	4,475
Total Net Position	312,741	385,703	698,444	39,467
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 1,809,508	$ 695,488	$ 2,504,996	$ 50,044

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, 2014
(In Thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
Functions / Programs								
Primary Government:								
Governmental Activities:								
Legislative, Executive and Staff	$ (46,266)	$ 3,750	$ 1,183	$ -	$ (41,333)	$ -	$ (41,333)	$ -
Courts and Judiciary	(51,904)	3,666	24,889	-	(23,349)	-	(23,349)	-
General Governmental Services	(12,980)	4,791	88	-	(8,101)	-	(8,101)	-
Public Safety	(143,774)	9,598	14,056	-	(120,120)	-	(120,120)	-
Public Works and Highways	(104,079)	30,261	19,141	2,085	(52,592)	-	(52,592)	-
Human Services	(551,239)	354,424	133,066	-	(63,749)	-	(63,749)	-
Parks, Recreation and Culture	(76,644)	32,619	248	505	(43,272)	-	(43,272)	-
Interest and Other Charges	(23,294)	-	-	-	(23,294)	-	(23,294)	-
Total Governmental Activities	(1,010,180)	439,109	192,671	2,590	(375,810)	-	(375,810)	-
Business-type Activities:								
Airport	(98,006)	86,560	193	59,317	-	48,064	48,064	-
Transit	(166,953)	47,790	91,587	11,797	-	(15,779)	(15,779)	-
Total Business-type Activities	(264,959)	134,350	91,780	71,114	-	32,285	32,285	-
Total Primary Government	$ (1,275,139)	$ 573,459	$ 284,451	$ 73,704	(375,810)	32,285	(343,525)	-
Component Units:								
Milwaukee Public Museum	$ (13,929)	$ 8,347	$ 3,501	$ -	-	-	-	(2,081)
War Memorial	(1,445)	1,268	486	-	-	-	-	309
Marcus Center	(11,834)	9,421	1,088	-	-	-	-	(1,325)
Research Park Corporation	(1,502)	817	-	-	-	-	-	(685)
Total Component Units	$ (28,710)	$ 19,853	$ 5,075	$ -	-	-	-	(3,782)
	General Revenues:							
	Property Taxes				284,461	-	284,461	-
	Sales Taxes				67,826	-	67,826	-
	Intergovernmental Revenues Not Related to Specific Program				36,797	-	36,797	-
	Investment Income				777	729	1,506	1,248
	Gain on Sale of Capital Assets				12,696	-	12,696	-
	Other Revenue				43,597	-	43,597	5,787
	Transfers				(18,281)	18,281	-	-
	Total General Revenues and Transfers				427,873	19,010	446,883	7,035
	Change in Net Position				52,063	51,295	103,358	3,253
	Net Position -- Beginning				260,678	334,408	595,086	36,214
	Net Position -- Ending				$ 312,741	$ 385,703	$ 698,444	$ 39,467

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, 2014
(In Thousands)

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	$ 116,608	$ 40,167	$ 27,031	$ 29,214	$ 213,020
Cash and Investments -- Restricted	11,470	-	40,276	27,556	79,302
Receivables:					
Accounts (Net of Allowances for Doubtful Accounts)	17,727	8	3,635	-	21,370
Property Taxes:					
Current Levy	283,799	-	-	-	283,799
Delinquent	16,967	-	-	-	16,967
Accrued Interest	8,759	-	-	-	8,759
Other	10,971	-	-	-	10,971
Due From Other Governments	34,598	63	5,644	-	40,305
Inventories	2,722	-	-	-	2,722
Insurance Deposits	3,398	-	-	-	3,398
Total Assets	$ 507,019	$ 40,238	$ 76,586	$ 56,770	$ 680,613
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Accounts Payable	$ 38,834	$ -	$ 17,199	$ 384	$ 56,417
Accrued Liabilities	36,315	-	-	-	36,315
Accrued Pension Payable	19,170	-	-	-	19,170
Other Liabilities	803	-	-	-	803
Due to Other Governments	25,165	-	-	-	25,165
Unearned Revenues	1,654	-	-	-	1,654
Total Liabilities	121,941	-	17,199	384	139,524
Deferred Inflows of Resources:					
Unavailable Tax Revenue	293,478	-	-	-	293,478
Other Unavailable Revenue	10,307	-	-	-	10,307
Total Deferred Inflows of Resources	303,785	-	-	-	303,785
Fund Balance:					
Non-Spendable:					
Inventories	2,722	-	-	-	2,722
Restricted:					
2016 Appropriations	5,000	-	-	-	5,000
2015 Appropriations	5,000	-	-	-	5,000
Debt Service	-	40,238	-	-	40,238
Commitments	7,734	-	59,387	-	67,121
Department of Family Care - State Restricted	12,220	-	-	-	12,220
Department of Family Care - Excess Reserves	23,138	-	-	-	23,138
Delinquent Property Tax	14,072	-	-	-	14,072
Housing	185	-	-	-	185
Airport - Passenger Facilities Charges and Debt	-	-	-	27,398	27,398
Administrative Services	-	-	-	7,016	7,016
Zoo	-	-	-	1,118	1,118
Parks	-	-	-	1,532	1,532
Persons with Disabilities	-	-	-	99	99
Behavioral Health Division	8,483	-	-	9,372	17,855
Fleet and Facilities Divisions	-	-	-	9,851	9,851
Committed:					
Economic Development	2,739	-	-	-	2,739
Total Fund Balance	81,293	40,238	59,387	56,386	237,304
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 507,019	$ 40,238	$ 76,586	$ 56,770	$ 680,613

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, 2014
(In Thousands)

Total Fund Balances for Governmental Funds as of 12/31/14	$ 237,304
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	67,337
Land Improvements	257,663
Buildings and Improvements	695,164
Infrastructure	193,956
Machinery, Vehicles and Equipment	152,001
Less: Accumulated Depreciation	(787,850)
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:	1,433
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	(648,556)
Unamortized Loss on Refunding of Debt	15,743
Capital Leases	(5,282)
Unfunded Claims and Judgments	(1,250)
Landfill Postclosure Costs	(7,541)
Pollution Remediation Costs	(16,243)
Compensated Absences Payable	(30,152)
Other Post Employment Benefits	(306,305)
Other	3
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.	10,307
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	429,632
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.	(3,934)
Total Net Position of Governmental Activities as of 12/31/14	$ 312,741

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, 2014
(In Thousands)

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Intergovernmental	$ 226,512	$ 1,769	$ 2,624	$ -	$ 230,905
Property Taxes	284,462	-	-	-	284,462
Sales Taxes	60,315	-	7,511	-	67,826
Charges for Services	413,692	-	-	16,252	429,944
Fines and Forfeits	1,680	-	-	-	1,680
Licenses and Permits	782	-	150	-	932
Investment Income	203	-	252	322	777
Other	30,581	8,387	484	264	39,716
Total Revenues	1,018,227	10,156	11,021	16,838	1,056,242
Expenditures:					
Current:					
Legislative, Executive and Staff	17,995	-	-	-	17,995
Courts and Judiciary	51,435	-	-	-	51,435
General Governmental Services	13,261	-	-	-	13,261
Public Safety	144,219	-	-	-	144,219
Public Works and Highways	53,865	-	-	12,903	66,768
Human Services	552,743	-	-	1,838	554,581
Parks, Recreation and Culture	63,609	-	-	649	64,258
Capital Outlay	-	-	58,199	-	58,199
Debt Service:					
Principal Retired	-	69,942	-	-	69,942
Interest and Other Charges	-	22,704	-	-	22,704
Total Expenditures	897,127	92,646	58,199	15,390	1,063,362
Excess (Deficiency) of Revenues Over (Under) Expenditures	121,100	(82,490)	(47,178)	1,448	(7,120)
Other Financing Sources (Uses):					
General Obligation Bonds Issued	-	1,320	37,889	-	39,209
Premium on Debt Issued	-	1,106	-	-	1,106
Proceeds from Sale of Capital Assets	-	-	12,696	-	12,696
Proceeds from Capital Leases	324	-	-	-	324
Insurance Recoveries	-	-	2,046	-	2,046
Transfers In	19,140	85,338	7,486	6	111,970
Transfers Out	(134,333)	-	(1,828)	(1)	(136,162)
Total Other Financing Sources (Uses)	(114,869)	87,764	58,289	5	31,189
Net Change in Fund Balances	6,231	5,274	11,111	1,453	24,069
Fund Balances - Beginning	75,062	34,964	48,276	54,933	213,235
Fund Balances - Ending	$ 81,293	$ 40,238	$ 59,387	$ 56,386	$ 237,304

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, 2014
(In Thousands)

Net Change in Fund Balances for Total Governmental Funds	$	24,069
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		58,199
Items reported as capital outlay that were not capitalized		(5,944)
Items reported as capital from operations		2,300
Depreciation reported in the government-wide statements		(47,059)
Net book value of assets retired		(5,371)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,570
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		(39,209)
Premium on debt issued		(1,106)
Principal repaid		69,942
Capital lease paid		1,230
Capital lease issued		(459)
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.		3,126
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		247
Amortization of Premiums, Discounts and Unamortized Losses on Refunding		(472)
Net Pension Asset		3,847
Unfunded Claims and Judgments		2,750
Landfill Postclosure Costs		(2,027)
Pollution Remediation Costs		(3,488)
Compensated Absences Payable		3,730
Other Postemployment Benefits		(13,812)
Change in Net Position of Governmental Activities	$	52,063

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

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Revenue, Expenditures and Changes in Fund Balances-Budget and Actual
(Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2014
(In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	$ 223,448	$ 232,356	$ 226,512	$ (5,844)
Property Taxes	282,721	282,721	284,462	1,741
Sales Taxes	57,056	57,055	60,315	3,260
Charges for Services	416,988	416,833	413,692	(3,141)
Fines and Forfeits	3,146	3,146	1,680	(1,466)
Licenses and Permits	629	629	782	153
Investment Income	1,906	1,921	203	(1,718)
Other	11,792	31,777	30,581	(1,196)
Total Revenues	997,686	1,026,438	1,018,227	(8,211)
Expenditures:				
Current:				
Legislative, Executive and Staff	18,959	22,587	20,296	2,291
Courts and Judiciary	52,772	56,077	52,075	4,002
General Governmental Services	13,438	14,653	13,431	1,222
Public Safety	142,886	148,095	145,073	3,022
Public Works and Highways	53,473	57,414	55,147	2,267
Human Services	560,291	579,108	557,411	21,697
Parks, Recreation and Culture	60,134	63,001	59,475	3,526
Total Expenditures	901,953	940,935	902,908	38,027
Excess (Deficiency) of Revenues Over (Under) Expenditures	95,733	85,503	115,319	29,816
Other Financing Sources (Uses):				
General Obligation Bonds Issued	10	188	-	(188)
Proceeds from Capital Leases	1	508	324	(184)
Transfers In	1,304	1,304	19,140	17,836
Transfers Out	(95,667)	(86,122)	(134,333)	(48,211)
Transfers To Component Units	(6,381)	(6,381)	(6,381)	-
Total Other Financing Sources (Uses)	(100,733)	(90,503)	(121,250)	(30,747)
Net Change in Fund Balance	(5,000)	(5,000)	(5,931)	(931)
Fund Balances -- Beginning	75,062	75,062	75,062	-
Fund Balances -- Ending	$ 70,062	$ 70,062	$ 69,131	$ (931)

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, 2014
(In Thousands)

	Business-type Activities Enterprise Funds			Governmental Activities
	Airports	Transit System	Total	Internal Service Funds
Assets				
Current Assets:				
Cash and Investments	$ 54,771	$ 19,854	$ 74,625	$ 27,852
Cash and Investments -- Restricted	44,786	-	44,786	-
Receivables:				
Accounts (Net of Allowance for Doubtful Accounts)	4,720	-	4,720	1,658
Other	79	2,708	2,787	-
Due From Other Governments	10,299	5,202	15,501	71
Inventories	-	4,584	4,584	-
Prepaid Items	-	780	780	-
Other Assets	-	494	494	-
Total Current Assets	114,655	33,622	148,277	29,581
Noncurrent Assets:				
Other Post Employment Benefit	-	56	56	-
Capital Assets:				
Land	19,327	2,773	22,100	-
Construction in Progress	62,471	13,025	75,496	7,802
Land Improvements	190,030	6,604	196,634	3,148
Building and Improvements	334,407	64,873	399,280	6,682
Machinery, Vehicles and Equipment	22,756	189,819	212,575	25,477
Total Capital Assets	628,991	277,094	906,085	43,109
Less: Accumulated Depreciation	(206,025)	(153,067)	(359,092)	(26,847)
Total Capital Assets (Net)	422,966	124,027	546,993	16,262
Total Noncurrent Assets	422,966	124,083	547,049	16,262
Total Assets	537,621	157,705	695,326	45,843
Deferred Outflows of Resources:				
Unamortized Loss on Refunding of Debt	2	160	162	93
Total Deferred Outflows of Resources	2	160	162	93
Total Assets and Deferred Outflows of Resources	$ 537,623	$ 157,865	$ 695,488	$ 45,936

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, 2014
(In Thousands)

	Business-type Activities Enterprise Funds			Governmental Activities
	Airports	Transit System	Total	Internal Service Funds
Liabilities				
Current Liabilities:				
Accounts Payable	$ 2,073	$ 2,481	$ 4,554	$ 1,585
Accrued Liabilities	1,463	2,765	4,228	160
Accrued Interest Payable	1,058	328	1,386	167
Unearned Revenues	9,311	3,432	12,743	-
Bonds and Notes Payable - General Obligation	37	2,388	2,425	2,084
Bonds and Notes Payable - Revenue	10,750	-	10,750	-
Compensated Absences	1,209	4,377	5,586	470
Risk Claims	-	7,786	7,786	10,681
Capital Leases	132	-	132	-
Other Liabilities	129	2,590	2,719	-
Total Current Liabilities	26,162	26,147	52,309	15,147
Long-Term Liabilities:				
Bonds and Notes Payable - General Obligation	72	22,504	22,576	14,673
Bonds and Notes Payable - Revenue	210,286	-	210,286	-
Compensated Absences	1,021	4,077	5,098	527
Risk Claims	-	5,250	5,250	8,782
Other Post Employment Benefits	13,962	-	13,962	5,374
Capital Leases	304	-	304	-
Total Long-Term Liabilities	225,645	31,831	257,476	29,356
Total Liabilities	251,807	57,978	309,785	44,503
Net Position				
Net Investment in Capital Assets	246,142	99,295	345,437	(402)
Restricted for:				
Operations and Debt Service	19,044	-	19,044	-
Capital Asset Needs	16,357	-	16,357	-
Commitments	4,273	159	4,432	1,310
Unrestricted	-	433	433	525
Total Net Position	285,816	99,887	385,703	1,433
Total Liabilities and Net Position	$ 537,623	$ 157,865	$ 695,488	$ 45,936

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, 2014
(In Thousands)

	Business-type Activities Enterprise Funds			Governmental Activities
	Airports	Transit System	Total	Internal Service Funds
Operating Revenues:				
Rentals and Other Service Fees	$ 70,056	$ -	$ 70,056	$ 25,138
Admissions and Concessions	16,500	-	16,500	-
Transit Fares	-	43,352	43,352	-
Total Charges for Services	86,556	43,352	129,908	25,138
Other Revenues	4	4,438	4,442	44
Total Operating Revenues	86,560	47,790	134,350	25,182
Operating Expenses:				
Personnel Services	23,804	108,337	132,141	6,781
Contractual Services	21,034	21,477	42,511	7,992
Intra-County Services	9,911	1,229	11,140	1,180
Commodities	4,615	18,829	23,444	320
Depreciation and Amortization	27,534	14,188	41,722	1,447
Maintenance	-	890	890	200
Other	2	1,201	1,203	-
Insurance and Claims	-	-	-	11,325
Client Payments	-	-	-	1,302
Total Operating Expenses	86,900	166,151	253,051	30,547
Operating Income (Loss)	(340)	(118,361)	(118,701)	(5,365)
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	193	91,587	91,780	1,152
Investment Income	729	-	729	-
Interest Expense	(11,106)	(802)	(11,908)	(363)
Total Nonoperating Revenues (Expenses)	(10,184)	90,785	80,601	789
Income (Loss) Before Contributions and Transfers	(10,524)	(27,576)	(38,100)	(4,576)
Capital Contributions	59,317	11,797	71,114	1,791
Transfers In	4,643	29,945	34,588	6,915
Transfers Out	(2,511)	(13,796)	(16,307)	(1,004)
Change in Net Position	50,925	370	51,295	3,126
Net Position (Deficit) -- Beginning	234,891	99,517	334,408	(1,693)
Net Position -- Ending	$ 285,816	$ 99,887	$ 385,703	$ 1,433

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, 2014
(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	$ 87,703	$ 48,381	$ 136,084	$ 3,018
Receipts from Interfund Services	-	-	-	23,936
Payments to Suppliers	(27,296)	(44,931)	(72,227)	(21,813)
Payments to Employees	(23,486)	(107,797)	(131,283)	(6,441)
Payments for Interfund Services Used	(9,911)	(1,229)	(11,140)	(1,180)
Net Cash Flows Provided (Used) by Operating Activities	27,010	(105,576)	(78,566)	(2,480)
Cash Flows Provided (Used) by Noncapital Financing Activities:				
Intergovernmental Revenues	193	91,587	91,780	1,152
Contributed Capital from Other Funds	-	-	-	(58)
Transfers From Other Funds	4,643	29,945	34,588	6,915
Transfers (To) Other Funds	(2,511)	(13,796)	(16,307)	(1,004)
Net Cash Flows Provided (Used) by Noncapital Financing Activities	2,325	107,736	110,061	7,005
Cash Flows Provided (Used) by Capital and Related Financing Activities:				
Proceeds from Bonds	-	31	31	159
Proceeds from Refunding Bonds	23,655	-	23,655	-
Capital Contributions	59,317	11,797	71,114	1,791
Principal Payment on Bonds	(8,899)	(3,339)	(12,238)	(2,540)
Principal Payment on Refunding Bonds	(27,160)	-	(27,160)	-
Issuance Expenses	(423)	(172)	(595)	(91)
Premium on Bonds	3,503	1	3,504	-
Interest Paid on Bonds	(11,236)	(779)	(12,015)	(425)
Loss on Refunding of Bonds	54	-	54	-
Payments on Capital Lease	(254)	-	(254)	-
Acquisition of Capital Assets	(97,312)	(11,500)	(108,812)	(2,190)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	(58,755)	(3,961)	(62,716)	(3,296)
Cash Flows Provided (Used) by Investing Activities:				
Investment Income	729	-	729	-
Net Cash Flows Provided (Used) by Investing Activities	729	-	729	-
Net Increase (Decrease) in Cash and Cash Equivalents	(28,691)	(1,801)	(30,492)	1,229
Cash and Cash Equivalents at Beginning of Year	128,248	21,655	149,903	26,623
Cash and Cash Equivalents at End of Year	$ 99,557	$ 19,854	$ 119,411	$ 27,852

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, 2014
(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	$ 446	$ -	$ 446	$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	$ (340)	$ (118,361)	$ (118,701)	$ (5,365)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Depreciation and Amortization	27,534	14,188	41,722	1,447
(Increase) Decrease in Assets:				
Accounts Receivable	(475)	-	(475)	94
Other Receivables	-	3,075	3,075	-
Due from Other Governments	(579)	(1,187)	(1,766)	(63)
Inventories	-	(419)	(419)	-
Prepaid Items	-	(324)	(324)	163
Other Post Employment Asset	-	1,899	1,899	-
Other Assets	-	(433)	(433)	-
Increase (Decrease) in Liabilities:				
Accounts Payable	(1,645)	(2,223)	(3,868)	(611)
Accrued Liabilities	(367)	318	(49)	41
Unearned Revenues	2,083	(864)	1,219	-
Compensated Absences	(657)	162	(495)	(147)
Risk Claims	-	(1,839)	(1,839)	1,515
Other Post Employment Benefits	1,342	-	1,342	446
Other Liabilities	114	432	546	-
Total Adjustments	27,350	12,785	40,135	2,885
Net Cash Flows Provided (Used) by Operating Activities	$ 27,010	$ (105,576)	$ (78,566)	$ (2,480)

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, 2014
(In Thousands)

	Pension Trust Fund	Agency Funds
Assets		
Cash and Investments:		
Domestic Common and Preferred Stocks	$ 635,015	$ -
Long / Short Hedge Funds	186,479	-
Fixed Income	331,429	-
International Common and Preferred Stocks	156,474	-
Real Estate Investments Trusts	180,397	-
Infrastructure	151,805	-
Private Equity	73,704	-
Deposits	76,430	15,257
Total Cash and Investments	1,791,733	15,257
Receivables:		
Pension Trust Fund Contribution	20,210	-
Accrued Interest and Dividends	1,774	-
Due from Sale of Investments	9,763	-
Other	791	1,772
Securities Lending	50,000	-
Other Assets	4,164	-
Total Assets	1,878,435	17,029
Liabilities		
Accounts Payable	4,003	429
Agency Deposits	-	16,600
Securities Lending	50,000	-
Other Liabilities	1,853	-
Total Liabilities	55,856	17,029
Net Position		
Held in Trust for Pension Benefits	$ 1,822,579	$ -

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, 2014
(In Thousands)

	Total
Additions:	
Contributions:	
County of Milwaukee	$ 19,005
Plan Participants	10,052
Total Contributions	29,057
Investment Income:	
Net Appreciation (Depreciation) in Fair Value	69,267
Interest and Dividends	18,769
Other Income	11,542
Total Investment Income	99,578
Security Lending Income	100
Security Lending Rebates (and Fees)	(22)
Net Security Lending Activity	78
Investment Expense	(2,930)
Net Investment Income (Loss)	96,726
Total Additions, Net of Losses	125,783
Deductions:	
Benefits Paid to Retirees and Beneficiaries	(176,264)
Administrative Expenses	(5,067)
Withdrawal of Membership Accounts	(1,103)
Total Deductions	(182,434)
Change In Plan Net Position	(56,651)
Plan Net Position Held In Trust for Pension Benefits	
Beginning of Year	1,879,230
End of Year	$ 1,822,579

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, 2014
(In Thousands)

	Milwaukee Public Museum	War Memorial	Marcus Center	Research Park Corporation	Total
Assets					
Current Assets:					
Cash and Investments	$ 1,744	$ 1,154	$ 4,214	$ 4,315	$ 11,427
Accounts Receivable	1,243	35	257	137	1,672
Other Receivables	-	26	320	-	346
Inventories	72	-	22	-	94
Prepaid Items	142	10	70	3	225
Total Current Assets	3,201	1,225	4,883	4,455	13,764
Noncurrent Assets:					
Long-Term Investments	6,933	-	303	-	7,236
Accounts Receivable	3,091	21	-	-	3,112
Other	-	-	848	-	848
Capital Assets (Net):					
Construction in Progress	1,319	-	-	-	1,319
Buildings and Improvements	19,509	-	25,223	-	44,732
Machinery, Vehicles and Equipment	11,345	96	1,688	-	13,129
Less: Accumulated Depreciation	(17,408)	(56)	(16,632)	-	(34,096)
Total Capital Assets (Net)	14,765	40	10,279	-	25,084
Total Noncurrent Assets	24,789	61	11,430	-	36,280
Total Assets	$ 27,990	$ 1,286	$ 16,313	$ 4,455	$ 50,044
Liabilities					
Current Liabilities:					
Accounts Payable	$ 636	$ 31	$ 89	$ 75	$ 831
Accrued Liabilities	514	49	405	4	972
Accrued Interest Payable	12	-	-	-	12
Unearned Revenues	1,022	80	1,417	121	2,640
Bonds and Notes Payable	430	-	8	-	438
Capital Leases	24	-	-	-	24
Other Current Liabilities	750	-	399	-	1,149
Accrued Pension and Postretirement Benefits	105	-	-	3	108
Total Current Liabilities	3,493	160	2,318	203	6,174
Noncurrent Liabilities:					
Bonds and Notes Payable	1,197	-	23	-	1,220
Capital Leases	34	-	-	-	34
Other Noncurrent Liabilities	133	5	379	-	517
Accrued Pension and Postretirement Benefits	2,632	-	-	-	2,632
Total Noncurrent Liabilities	3,996	5	402	-	4,403
Total Liabilities	7,489	165	2,720	203	10,577
Net Position					
Net Investment in Capital Assets	13,080	40	10,248	-	23,368
Restricted	10,691	643	66	224	11,624
Unrestricted (Deficit)	(3,270)	438	3,279	4,028	4,475
Total Net Position	20,501	1,121	13,593	4,252	39,467
Total Liabilities and Net Position	$ 27,990	$ 1,286	$ 16,313	$ 4,455	$ 50,044

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, 2014
(In Thousands)

	Milwaukee Public Museum	War Memorial	Marcus Center	Research Park Corporation	Total
Revenues:					
Charges for Services:					
Contributions and Memberships	$ 5,086	$ 844	$ 898	$ 55	$ 6,883
Other	3,060	-	7,105	24	10,189
Rents	201	424	1,418	738	2,781
Other	710	495	1,458	20	2,683
Total Revenues	9,057	1,763	10,879	837	22,536
Operating Expenses:					
Parks, Recreation and Culture	13,929	1,445	11,834	1,502	28,710
Total Operating Expenses	13,929	1,445	11,834	1,502	28,710
Operating Income (Loss)	(4,872)	318	(955)	(665)	(6,174)
Nonoperating Revenues (Expenses):					
County Program Suppport	3,501	486	1,088	-	5,075
Interest and Gains on Investments	881	-	72	295	1,248
Pension and Post-retirement benefit	3,104	-	-	-	3,104
Total Nonoperating (Expenses)	7,486	486	1,160	295	9,427
Change in Net Position	2,614	804	205	(370)	3,253
Net Position -- Beginning	17,887	317	13,388	4,622	36,214
Net Position -- Ending	$ 20,501	$ 1,121	$ 13,593	$ 4,252	$ 39,467

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

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

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 State of Wisconsin statutes.

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

A. The Reporting Entity

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

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

<u>Component Units</u>

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

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

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.

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.

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

A four member Board of Trustees ("Trustees) and an eleven member Board of Directors ("Board") govern the War Memorial. The four Trustees and two members of the Board are appointed by the County Executive and 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 War Memorial, owned by Milwaukee County. In September 2013, the by-laws of the War Memorial were amended and these advisory board positions eliminated; County appointments were reduced from eight to two.

The War 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 War Memorial, and provides annual

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

appropriations. As a result, the War Memorial has the ability to impose specific financial burdens on the County. The War Memorial has a fiscal year ending December 31st.

Marcus Center for the Performing Arts ("Marcus Center") is a non-stock, non-profit corporation based in Wisconsin that offers performance facilities, a parking structure and various services to a wide range of performing arts. The Marcus Center is home to the Milwaukee Symphony Orchestra, the Milwaukee Ballet Company, the Milwaukee Youth Symphony Orchestra, the Florentine Opera Company, First Stage Milwaukee, and other special arts groups, ethnic and cultural festivals and community concerts. The Marcus Center operates 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 is fiscally dependent and has the ability to impose specific financial burdens on the County. Even though the County does not appoint the majority of the Board of Directors, excluding the Marcus Center would render the County's financial statements incomplete or misleading. The Marcus Center has a fiscal year ending December 31st.

Milwaukee County Research Park Corporation ("MCRPC") 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.

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

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

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

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

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

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

Related Organizations

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

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 it's discretely presented component units. Governmental Activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from Business-type Activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property 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.

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

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

Fund Financial Statements

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

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

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

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

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

measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The County considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Uncollected property taxes of municipalities within the County, except the City of Milwaukee, are purchased and then collected by the County. There is no recourse to the municipalities for the collection of these taxes. The County considers intergovernmental revenues to be available if they are collected within 90 days of the end of the current fiscal period. Property taxes, intergovernmental revenues, sales taxes, investment income, rents, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, fines and forfeitures and all other revenue items are considered to be measurable and available only when the county receives cash.

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

Proprietary Funds

The County's enterprise funds and internal service funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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

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

Fiduciary Funds

The County uses fiduciary funds to account for assets held in a trustee or agency capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not

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

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.

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 Passenger Facility Charge (PFC) 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.

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

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

- **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.

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

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

Additional information is provided in Note 3.

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

2. Receivables

Activity between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). The County has no "advances to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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

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

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

Delinquent property tax receivable is comprised of the unpaid property taxes the County purchases from other taxing authorities, 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.

Additional information is provided in Note 4.

3. Inventory, Prepaid Items and Insurance Deposits

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

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 with this third party manager; as of December 31, 2014 $2,741 is on deposit. 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, 2014, $195 is on deposit.

4. Restricted Assets

Certain proceeds of the Deposits and Investments area are considered restricted as explained earlier in (Note 1, section D and item 1). At the end of 2014, these restricted assets consisted of Capital Project reserves, Airport reserves and unspent revenue bond proceeds, Airport Passenger Facility Charge revenues, and Family Care reserves. Restricted assets are not available to the County to finance its operations.

Capital Projects: Bond proceeds of $40,276 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 2014 amount to $44,786 and consists of $19,565 of reserves under Airport Revenue Bond covenant and $25,221 of 2006, 2009, 2010 and 2013 revenue bond proceeds that are 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 2014 amount to $27,556 which consists of $21,779 for passenger facility charges allocated and $5,777 for 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.

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

In addition, the County has restricted $5,777 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 $11,470. Under the contract, the restricted cash is split between 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 of more than $1,000 (one thousand dollars). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Capital assets received as gifts or donations are recorded at estimated fair 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: Buildings - 40-50 years, Building Improvements – 20 years, Computer Equipment – 5 years, Infrastructure – 20 years, Land Improvements – 20-25 years, Office Equipment – 5-10 years, and Vehicles – 5-12 years.

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

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

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.

Additional information is provided in Note 5.

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 full credit for post-retirement health care costs. Cash payouts to retirees for sick pay benefits were $1,547 in 2014.

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 $20,562 and $5,586, respectively. The long-term 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 $14,831 and $5,098, respectively. $4,243 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.

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

Additional information is provided in Note 8.

7. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental Activities, Business-type Activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

Additional information is provided in Note 8.

8. Deferred Outflows of Resources

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

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

9. Deferred Inflows of Resources

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

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

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

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.

- **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.

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

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

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

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

11. Allowance for Doubtful Accounts

The County's Behavioral Health Division (BHD) provides an allowance for all third-party payers such as Medicare, Medicaid, HMO's, and other types of health insurance. The County's Department of 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, 2014, the total allowance for BHD, Family Care, DHHS, and DPW is $23,894. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectable as reported at December 31, 2014. All allowances are netted against receivables for financial statement presentation.

Additional information is provided in Note 4.

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 2014, the net amount of capitalized interest is $508.

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

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, 2014.

14. Landfill Post-Closure Costs

Under the terms of current state and federal regulations, the County is required to place a final cover on closed landfill areas and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure. The County recognizes these costs of closure and Post-Closure maintenance over the active life of each landfill area, based on landfill capacity used during the period. The County has recorded short-term and long-term obligations for Post-Closure costs. These costs are recognized in the Governmental Activities.

Additional information is provided in Note 8.

15. Pollution Remediation Costs

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

Additional information is provided in Note 8.

16. Capital Contributions

The capital contributions accounted for in the proprietary fund types represent contributions from other funds and state and federal grant programs. 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.

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

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

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, except for capital projects, at December 31 to the extent that it has not been expended or encumbered.

The 2014 encumbrance, carryover and commitment balances by fund are:

	Encumbrances	Carryovers	Other	Total Commitments
General Fund	$ 12,180	$ (3,093)	$(1,353)	$ 7,734
Capital Projects	49,971	9,416	-	59,387
Airports	4,273	-	-	4,273
Transit	159	-	-	159
Internal Service Funds	1,310	-	-	1,310
Totals	$ 67,893	$ 6,323	$(1,353)	$ 72,863

20. Claims and Judgments

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

Additional information is provided in Note 8.

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

21. Other Post Employment Benefit Obligations

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

Additional information is provided in Note 14.

E. Governmental Accounting Standards for 2014

In fiscal year 2014, the County implemented the following GASBs:

- **GASB Statement No. 67**, ***Financial Reporting for Pension Plans,*** an amendment of GASB Statements No. 25 and No. 50 was implemented by the County effective January 1, 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. 69,** ***Government Combinations and Disposals of Government Operations,*** was implemented by the County effective January 1, 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* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

- **GASB Statement No. 70,** ***Accounting and Financial Reporting for Nonexchange Financial Guarantees,*** was implemented by the County effective January 1, 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.

Note 2 - Stewardship, Compliance, and Accountability

<u>Budgetary Information</u>

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

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

must complete its review and adopt the budget on or before the first Tuesday after the second Monday in November.

All adopted budgets for the governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance- restriction for 2014 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 2014 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:

	Revenues	Expenditures	Other Financing Sources (Uses)
GAAP Basis	$1,018,227	$ 897,127	$ (114,869)
Encumbrances	-	12,180	-
Pension/Other	-	(18)	-
Transfers to Component Units	-	(6,381)	(6,381)
Non-GAAP Budgetary Basis	**$1,018,227**	**$ 902,908**	**$ (121,250)**

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

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

County Tax Rate Limit

Section 59.605 of the State of 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 .89%. 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(s) for the purchase of government securities, or to maintain the funds in the financial institution. Funds sent to the investment manager(s) are used to purchase investments that meet the County's investment policy and State Statute requirements. The net funds maintained at the County's primary financial 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 may be 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	$	315,497
Cash and Investments - Restricted		124,088
Subtotal		**439,585**

Note 3 - Deposits and Investments (cont.)

Statement of Fiduciary Net Position:	
Cash and Investments:	
Pension Trust Fund	$ 1,791,733
Agency Fund	15,257
Subtotal	**1,806,990**
Total	**$ 2,246,575**

Deposits - County and Agency	$ 122,149
Investments - County and Agency	332,693
Deposits - Pension Trust Fund	76,430
Investments - Pension Trust Fund	1,715,303
Total	**$ 2,246,575**

Primary Government – County and Agency

Cash Deposits

The carrying amount of the County and Agency deposits at December 31, 2014 is $122,149 and the bank balances are $123,306.

Custodial Credit Risk - Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to cover collateral securities that are in the possession of an outside entity. All time and savings deposits (includes NOW accounts and money market deposits) held in an insured depository institution within the State of Wisconsin are added together and insured, by FDIC, up to $250. Separately, all demand deposit accounts (includes interest-bearing and noninterest-bearing deposits) held in an insured depository institution within the State of Wisconsin are added together and insured, by FDIC, up to $250. In addition, if the depository institution is outside of the State of Wisconsin, both time and savings deposits and demand deposits are added together and insured up to $250. The State Deposit Guarantee Fund insures deposits up to a total of $400 per entity, not per banking institution. Of the $123,306 of deposits with financial institutions, $12,070 is covered by Federal depository insurance and State governmental insurance, subject to availability of funds in the State's Deposit Guarantee Fund, $111,236 is collateralized with government securities held in a separate financial institution in the County's name, and there is no balance that is uninsured, uncollateralized, or exposed to custodial credit risk.

Investments

On August 12, 2014 the County modified its Statement of Investment Policy ("investment policy"). The primary objectives of the modified investment policy are safety, liquidity, return and local interests.

Note 3 - Deposits and Investments (cont.)

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

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

- Time and other money market deposits of banks, trust companies, savings and loans, and credit unions.
    - Deposits over the Federal Deposit Insurance Corporation ("FDIC") insured amount are to be fully collateralized with an acceptable form of collateral, surety, or other guarantee assuring the principal repayment to Milwaukee County.
    - CDARS – Certificates of Deposit Account Registry Service, a placement service in which a member institution uses CDARS to place funds into Certificate of Deposits ("CD") issued by banks that are members of the Network. This occurs in increments below the standard FDIC insurance coverage maximum, allowing for coverage of principal and interest.
    - ADM – American Deposit Management, CD placement service and other depository placement services.
- U.S. Treasury obligations, government agency securities, and Government Sponsored Enterprise ("GSE").
- Municipal Securities including general obligation bonds, essential service bonds rated AA or higher, or securities of any county, city, drainage district, vocational, technical and adult education district, village, town or school district of the State of Wisconsin.
- State of Wisconsin Investment Board's Local Government Investment Pool.
- Repurchase Agreements ("Repos"). Investment agreements pursuant to which a federal or state credit union, federal or state savings and loans association, state bank, savings and trust company, mutual savings bank, or national bank in the State of Wisconsin agrees to repay

Note 3 - Deposits and Investments (cont.)

funds advanced to it by the issuer, plus interest. Repos are to be secured by investments securities fully guaranteed by the U.S. government.

- Corporate securities. Issued by private corporations, these securities must be rated in the highest or second highest rating category assigned by Standard and Poor's Corporation ("S&P"), Moody's Investor Service ("Moody's"), some other Nationally Recognized Statistical Rate Organization ("NRSRO"), or senior to or on parity with a security of the same issuer which has such a rating.

- Commercial Paper which may be tendered for purchase at the option of the holder within not more than two hundred seventy (270) days of the date acquired as permitted by Wisconsin State Statutes. These securities must be rated in the highest or second highest rating category assigned by S&P, Moody's, NRSRO, or senior to or on parity with a security of the same issuer which has such a rating.

- Money Market Funds. Open-ended Money Market funds restricted to investments permitted in Wisconsin State Statute (s.66.0603 (1) (m)), limited to a maximum average maturity of sixty (60) days or less.

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

As of December 31, 2014, the County and Agency investments are as follows:

Investment Type	Fair Value
Agency Bonds	$ 13,573
Certificates of Deposit	25,317
Commercial Paper	1,017
Corporate Bonds	8,983
Corporate Government Guaranteed Notes	14,059
Corporate Notes	5,836
FFCB Adjustable Rate Agency	1,100
FFCB Fixed Rate Agency	585
FHLB Fixed Rate Agency	4,380
FHLB Step Coupon Agency	6,994
FHLMC Adjustable Rate Mortgages	8,997
FHLMC Fixed Rate Agency	8,451
FHLMC Step Coupon Agency	4,999
FNMA Adjustable Rate Mortgages	8,230

Note 3 - Deposits and Investments (cont.)

Investment Type	Fair Value
FNMA Fixed Rate Agency	$ 4,002
FNMA Step Coupon Agency	1,500
Futures Hedge Contract with Commodities Broker	2,340
GNMA Adjustable Rate Mortgages	14,579
Government Bonds	33,827
Money Market Cash Equivalents	24,857
Municipal Bonds	1,522
Municipal Fixed Rate Securities	22,676
SBA Adjustable Rate Bonds	13,825
Treasury Mutual Funds	18,822
U.S. Agency Adjustable Rate Security	3,953
U.S. Agency Fixed Rate Securities	41,975
U.S. Agency Guaranteed Adjustable Rate Securities	19,206
U.S. Treasury Agencies	4,105
U.S. Treasury Bonds	6,618
U.S. Treasury Notes	5,410
U.S. Treasury Open Repurchase Agreements	955
Total	**$ 332,693**

The County has one contract for hedging derivative instruments with a single counterparty. 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 collateral held with the counterparty at December 31, 2014 is $2,340. The maximum loss that would be recognized at the reporting date if the counterparty failed to perform as contracted is $2,059. The aggregate fair value of these hedging derivative instruments at December 31, 2014 is $281, resulting in no credit risk to the County. This counterparty is not rated. The County is exposed to basis risk on the hedging derivative instruments because the expected commodity purchase being hedged will price based on a pricing point different than the pricing point at which the futures contract is expected to settle.

Custodial Credit Risk - Investments

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

Note 3 - Deposits and Investments (cont.)

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

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

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

Interest Rate Risk - Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the County's investment policy, the County attempts to match its investments with anticipated cash flow requirements to the extent possible. Unless matched to a specific cash flow requirement, the County will not directly invest in securities maturing more than ten (10) years from the date of purchase. For adjustable rate securities, the time to coupon reset will be used as the effective maturity date.

As of December 31, 2014, the County and Agency have the following investments and maturities subject to interest rate risk:

Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
Agency Bonds	$ 13,573	$ 3,568	$ 10,005	$ -	$ -
Certificates of Deposit	25,317	21,874	3,443	-	-
Commercial Paper	1,017	1,017	-	-	-
Corporate Bonds	8,983	2,633	6,350	-	-
Corporate Government Guaranteed Notes	14,059	241	13,818	-	-
Corporate Notes	5,836	5,621	215	-	-
FFCB Adjustable Rate Agency	1,100	1,100	-	-	-
FFCB Fixed Rate Agency	585	-	585	-	-
FHLB Fixed Rate Agency	4,380	-	4,380	-	-
FHLB Step Coupon Agency	6,994	4,493	2,501	-	-
FHLMC Adjustable Rate Mortgages	8,997	-	1,663	7,334	-
FHLMC Fixed Rate Agency	8,451	1,502	6,949	-	-
FHLMC Step Coupon Agency	4,999	2,001	2,998	-	-

Note 3 - Deposits and Investments (cont.)

Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
FNMA Adjustable Rate Mortgages	$ 8,230	$ -	$ 440	$ 7,790	$ -
FNMA Fixed Rate Agency	4,002	4,002	-	-	-
FNMA Step Coupon Agency	1,500	1,500	-	-	-
Futures Hedge Contract with Commodities Broker	2,340	2,340	-	-	-
GNMA Adjustable Rate Mortgages	14,579	-	-	14,579	-
Government Bonds	33,827	5,421	28,406	-	-
Money Market Cash Equivalents	24,857	24,580	277	-	-
Municipal Bonds	1,522	300	1,222	-	-
Municipal Fixed Rate Securities	22,676	19,879	2,797	-	-
SBA Adjustable Rate Bonds	13,825	119	3,312	10,394	-
Treasury Mutual Funds	18,822	18,822	-	-	-
U.S. Agency Adjustable Rate Security	3,953	-	3,953	-	-
U.S. Agency Fixed Rate Securities	41,975	-	41,975	-	-
U.S. Agency Guaranteed Adjustable Rate Securities	19,206	93	19,113	-	-
U.S. Treasury Agencies	4,105	4,105	-	-	-
U.S. Treasury Bonds	6,618	5,393	1,225	-	-
U.S. Treasury Notes	5,410	17	5,393	-	-
U.S. Treasury Open Repurchase Agreements	955	955	-	-	-
Total	**$ 332,693**	**$ 131,576**	**$ 161,020**	**$ 40,097**	**$ -**

Credit Risk - Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit quality rating of a security (rated by Standard & Poor's or Moody's Investor Service) gives an indication of the degree of credit risk for that security. In accordance with the County's investment policy, the County will mitigate the credit risk utilizing the following strategies: diversification, liquidity, investment rating downgrade and market risk.

As of December 31, 2014, the County and Agency investments credit quality ratings are as follows:

Investment Type	Fair Value	Standard & Poor's	Moody's Investor Service
Agency Bonds	$ 13,573	AA+	Aaa
Certificates of Deposit	25,317	NR	NR
Commercial Paper	999	A-1	P-1
Commercial Paper	18	NR	NR
Corporate Bonds	631	A	A3
Corporate Bonds	619	A-	A1

Note 3 - Deposits and Investments (cont.)

Investment Type	Fair Value	Standard & Poor's	Moody's Investor Service
Corporate Bonds	$ 1,059	A+	A1
Corporate Bonds	513	A+	Aa2
Corporate Bonds	502	AA	Aa2
Corporate Bonds	421	AA-	Aa2
Corporate Bonds	565	AA-	Aa3
Corporate Bonds	3,293	AA+	A1
Corporate Bonds	600	AA+	Aa1
Corporate Bonds	779	AAA	Aaa
Corporate Government Guaranteed Notes	6,052	AA+	Aaa
Corporate Government Guaranteed Notes	8,007	AA+	N/A
Corporate Notes	1,304	A	A3
Corporate Notes	1,315	A+	A1
Corporate Notes	641	AA	Aa2
Corporate Notes	836	AA-	Aa3
Corporate Notes	1,318	AA+	A1
Corporate Notes	422	AAA	Aaa
FFCB Adjustable Rate Agency	1,100	AGY	AGY
FFCB Fixed Rate Agency	585	AA+	AGY
FHLB Fixed Rate Agency	4,380	AA+	AGY
FHLB Step Coupon Agency	6,994	AA+	AGY
FHLMC Adjustable Rate Mortgages	8,997	AGY	AGY
FHLMC Fixed Rate Agency	8,452	AA+	AGY
FHLMC Step Coupon Agency	4,999	AA+	AGY
FNMA Adjustable Rate Mortgages	8,230	AGY	AGY
FNMA Fixed Rate Agency	4,002	AA+	AGY
FNMA Step Coupon Agency	1,500	AA+	AGY
Futures Hedge Contract with Commodities Broker	2,340	N/A	N/A
GNMA Adjustable Rate Mortgages	14,579	AGY	AGY
Government Bonds	33,827	AA+	Aaa
Money Market Cash Equivalents	24,857	NR	NR
Municipal Bonds	691	AA	Aa3
Municipal Bonds	301	NR	Aa2
Municipal Bonds	531	NR	Aaa
Municipal Fixed Rate Securities	212	A	A2
Municipal Fixed Rate Securities	101	A-	A2
Municipal Fixed Rate Securities	303	AA	A2

Note 3 - Deposits and Investments (cont.)

Investment Type	Fair Value	Standard & Poor's	Moody's Investor Service
Municipal Fixed Rate Securities	$ 201	AA	Aa1
Municipal Fixed Rate Securities	823	AA	Aa2
Municipal Fixed Rate Securities	204	AA	Aa3
Municipal Fixed Rate Securities	203	AA	NR
Municipal Fixed Rate Securities	208	AA-	A1
Municipal Fixed Rate Securities	267	AA-	Aa1
Municipal Fixed Rate Securities	104	AA-	Aa2
Municipal Fixed Rate Securities	2,017	AA-	Aa3
Municipal Fixed Rate Securities	529	AA-	NR
Municipal Fixed Rate Securities	299	AA+	A2
Municipal Fixed Rate Securities	303	AA+	A3
Municipal Fixed Rate Securities	366	AA+	Aa1
Municipal Fixed Rate Securities	102	AA+	Aa2
Municipal Fixed Rate Securities	464	AA+	Aa3
Municipal Fixed Rate Securities	102	AA+	Aaa
Municipal Fixed Rate Securities	201	AA+	NR
Municipal Fixed Rate Securities	131	AAA	A1
Municipal Fixed Rate Securities	278	AAA	Aa1
Municipal Fixed Rate Securities	649	AAA	Aaa
Municipal Fixed Rate Securities	107	NR	A1
Municipal Fixed Rate Securities	204	NR	A2
Municipal Fixed Rate Securities	103	NR	A3
Municipal Fixed Rate Securities	204	NR	Aa1
Municipal Fixed Rate Securities	2,405	NR	Aa2
Municipal Fixed Rate Securities	612	NR	Aa3
Municipal Fixed Rate Securities	922	NR	Aaa
Municipal Fixed Rate Securities	2,132	NR	Mig1
Municipal Fixed Rate Securities	7,920	NR	NR
SBA Adjustable Rate Bonds	13,825	AGY	AGY
Treasury Mutual Funds	18,822	NR	NR
U.S. Agency Adjustable Rate Security	3,953	N/A	N/A
U.S. Agency Fixed Rate Securities	36,002	AA+	Aaa
U.S. Agency Fixed Rate Securities	5,973	AA+	N/A
U.S. Agency Guaranteed Adjustable Rate Securities	754	AA+	N/A
U.S. Agency Guaranteed Adjustable Rate Securities	18,452	N/A	N/A
U.S. Treasury Agencies	4,105	NR	NR

Note 3 - Deposits and Investments (cont.)

Investment Type	Fair Value	Standard & Poor's	Moody's Investor Service
U.S. Treasury Bonds	$ 6,618	TSY	TSY
U.S. Treasury Notes	5,392	N/A	Aaa
U.S. Treasury Notes	17	NR	NR
U.S. Treasury Open Repurchase Agreements	955	NR	NR
Total	**$ 332,693**		

Concentration of Credit Risk – Investments

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

As of December 31, 2014, the County is not exposed to a concentration of credit risk.

Pension Trust Fund

Cash Deposits

The carrying amount of Pension Trust Fund deposits at December 31, 2014 is $76,430 and the bank balance is $77,306. The carrying amount consists of $12,753 of cash held in deposit at banks and $63,677 of cash equivalents held by investment managers.

Custodial Credit Risk - Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Pension Trust Fund will not be able to recover deposits or will not be able to cover collateral securities that are in the possession of an outside entity. All time and savings deposits (includes NOW accounts and money market deposits) held in an insured depository institution within the State of Wisconsin are added together and insured, by FDIC, up to $250. Separately, all demand deposit accounts (includes interest-bearing and noninterest-bearing deposits) held in an insured depository institution within the State of Wisconsin are added together and insured, by FDIC, up to $250. In addition, if the depository institution is outside of the State of Wisconsin, both time and savings deposits and demand deposits are added together and insured up to $250. The State Deposit Guarantee Fund insures deposits up to a total of $400 per entity, not per banking institution. Of the $12,753 of deposits with financial institutions, $12,753 is covered by Federal depository insurance and State governmental insurance, subject to availability of funds in the State's Deposit Guarantee Fund, and there is no balance that is uninsured, uncollateralized, or exposed to custodial credit risk. All assets of the Pension Trust Fund are held in its name.

Note 3 - Deposits and Investments (cont.)

Investments

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

The ERS Board has adopted a Statement of Investment policy to formally document investment objectives and responsibilities. This policy establishes guidelines for permissible investments of the Retirement System. Investments, primarily stocks, bonds, certain government loans and mortgage-backed certificates, are stated at quoted fair value. Temporary cash investments are valued at cost, which approximates fair value. Investments in venture capital partnerships, real estate, long/short hedge and infrastructure are valued at estimated fair value, as provided by the Retirement System's investment managers. Investment transactions are recorded on the trade date. Realized gains and losses are computed based on the average cost method. Unrealized gains and losses in the fair value of investments represent the net change in the fair value of the investments held during the period.

As of December 31, 2014 the Pension Trust Fund has the following investments:

Investment Type:	Fair Value
Domestic Common and Preferred Stocks	$ 635,015
Fixed Income	331,429
Infrastructure	151,805
International Common and Preferred Stocks	156,474
Long / Short Hedge Funds	186,479
Private Equity	73,704
Real Estate and REIT'S	180,397
Total	**$ 1,715,303**

Custodial Credit Risk – Investments

Custodial credit risk is the risk that, in the event a financial institution or counterparty fails, the Retirement System will not be able to recover the value of its deposits, investments or securities. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the Retirement System's name and are held by the counterparty. No formal policy exists on custodial risk. However, substantially all assets of the Retirement System are held in its name. The Retirement System did not own any repurchase agreements as of December 31, 2014. As of December 31, 2014, all deposits with banks are fully insured by the Federal Depository Insurance Corporation or the State Deposit Guarantee Fund.

Note 3 - Deposits and Investments (cont.)

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Duration is a measure of an investment's sensitivity to changes in interest rates. The higher the duration, the greater the changes in fair value when interest rates change. The Option-Adjusted Duration for a security is the percentage price sensitivity to interest rate changes of 100 basis points (or 1.0%). For example, an Option-Adjusted Duration of 5.20 means that the price of the security should fall approximately 5.20% for a 1.0% rise in the level of interest rates. Conversely, the price of a security should rise approximately 5.20% for a 1.00% fall in the level of interest rates. Interest rate changes will affect securities with negative durations in the opposite direction. The Option-Adjusted Duration method of measuring duration takes into effect the embedded options on cash flows.

The Retirement System does not have a formal investment policy that limits investment maturities as a means of managing exposure to losses arising from increasing interest rates with the exception of the cash equivalent portfolio. The investment policy limits the duration of individual securities held in the cash equivalent portfolio to 2.5 years. In addition, the duration of the entire cash equivalent portfolio should be between 1 and 2 years.

As of December 31, 2014, the Retirement System has the following Option-Adjusted Durations for the fixed income investments:

Fixed Income Sector	Fair Value	Option Adjusted Duration (In Years)
ABS - Car Loan	$ 2,465	0.73
ABS - Credit Cards	576	3.18
ABS - Home Equity	380	0.04
Aerospace & Defense	63	10.26
Agency for Int'l Devel. Backed Debt	335	9.95
Automobiles & Components	371	7.68
Banking & Finance	15,804	4.44
Capital Goods	90	8.17
Chemicals	1,322	7.83
CMBS - Conduit	6,985	1.42
Commercial Services & Supp.	115	6.38
Communication	2,472	7.78
FHLMC Multiclass	20,132	2.37
FHLMC Pools	8,927	2.16
FNMA Pools	40,792	3.82
FNMA REMIC	28,663	1.67
Food Beverage & Tobacco	551	4.59

Note 3 - Deposits and Investments (cont.)

Fixed Income Sector	Fair Value	Option Adjusted Duration (In Years)
Food Products	$ 655	7.71
GNMA Multi Family Pools	949	1.55
GNMA REMIC	8,556	1.98
GNMA Single Family Pools	2,027	2.35
Health Care	1,096	9.82
Household Products	87	2.99
Industrial	493	4.24
Insurance	1,125	6.33
Interest Only US Agencies	319	6.91
Materials	38	1.66
Mining	684	5.54
Non-US Government Bonds	819	8.66
Oil & Gas	4,850	7.08
Principal Only US Agencies	4,984	6.05
Private Placements - ABS	299	0.24
Private Placements - MBS	2,045	1.89
Pvt Placement-Banking & Finance-Covered	392	0.79
Pvt Placements - Interest Only	189	1.78
Pvt Placements - More than 1 Yr.	5,827	6.21
REITS	805	4.82
Retail	975	10.00
Supranational Issues	191	1.01
Taxable Municipals	948	16.55
Technology	1,886	5.08
Transportation	1,702	8.14
U.S. Agencies	983	14.75
U.S. Governments	35,183	6.50
U.S. Governments Interest Only	31,694	6.78
Utility - Electric	4,924	6.91
Utility - Gas	660	4.61
Utility - Telephone	2,866	9.75
Whole Loan - CMO	8,395	0.09
Whole Loan - Re-securitization	416	0.01
Yankee Bonds	2,024	7.47
Other*	72,300	
Total	**$331,429**	

Note 3 - Deposits and Investments (cont.)

* For 2014, this represents $68,588 units of participation, $2,340 in FHLMC Multiclass, $162 in FNMA REMIC, $316 in Private Placements, $74 in REITS, and $820 in Whole Loans.

Credit Risk – Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Services ("Moody's"), Standard and Poor ("S & 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. Of the $9.1 million not rated by Moody's, $6.7 million is rated by S & P as BBB- or higher and $1.9 million is not rated by S & P.

The credit quality ratings of investments in fixed income securities by Moody's, a nationally recognized statistical rating agency, as of December 31, 2014 are as follows:

Moody's Quality Ratings	Fair Value	Moody's Quality Ratings	Fair Value
AAA	$ 122,040	BA2	$ 1,192
AA1	1,273	BA3	819
AA2	3,680	B1	869
AA3	3,903	B2	60
A1	6,576	B3	278
A2	6,978	CAA1	65
A3	9,078	CAA2	181
BAA1	11,000	CAA3	160
BAA2	11,186	CA	424
BAA3	4,456	NR	9,061
BA1	1,339		-
Subtotal	$ 181,509	Subtotal	$ 13,109

Total Credit Risk Fixed Income Securities	194,618
U.S. Government and Agencies	68,223
Units of Participation (Not Rated)	68,588
Total Investment in Fixed Income	**$ 331,429**

Note 3 - Deposits and Investments (cont.)

Concentration of Credit Risk

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

Foreign Currency Risk Investment

Foreign currency is the risk that changes in currency exchange rates will adversely affect the fair value of an investment or deposit. As of December 31, 2014 the Retirement System directly owned less than $0.4 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 uncollectible accounts, are as follows:

Receivables:	**General**	**Debt Service**	**Capital Projects**	**Total**
Accounts	$ 39,721	$ 8	$3,635	$ 43,364
Taxes:				
Current Levy	283,799	-	-	283,799
Delinquent	16,967	-	-	16,967
Interest	8,759	-	-	8,759
Other	10,971	-	-	10,971
Due from Other Governments	34,598	63	5,644	40,305
Gross Receivables	394,815	71	9,279	404,165
Less: Allowance for Uncollectibles	(21,994)	-	-	(21,994)
Net Total Receivables	**$372,821**	**$ 71**	**$9,279**	**$382,171**

$5,307 of the $16,967 delinquent taxes receivable is not expected to be collected within one year.

Note 4 - Receivables (cont.)

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

	Business-type Activities		Governmental Activities
Receivables:	**Airport**	**Transit System**	**Internal Service Funds**
Accounts	$ 4,720	$ -	$ 3,558
Other	79	2,708	-
Due from Other Governments	10,299	5,202	71
Gross Receivables	15,098	7,910	3,629
Less: Allowance for Uncollectibles	-	-	(1,900)
Net Total Receivables	**$ 15,098**	**$ 7,910**	**$ 1,729**

All amounts are expected to be collected within one year.

Governmental funds report unearned and deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of December 31, 2014, the various components of unearned revenue and deferred inflows of resources reported in the governmental funds are as follows:

	Unearned Revenue	Unavailable Tax Revenue	Unavailable Other Revenue	Total
Property Taxes Receivable for Subsequent Year	$ -	$ 282,985	$ -	$ 282,985
Delinquent Tax Receivables	-	9,768	-	9,768
Federal and State Receivables	-	-	2,615	2,615
Housing Loan Receivables	-	-	7,692	7,692
Other Receivables	1,654	725	-	2,379
Totals	$ 1,654	$ 293,478	$ 10,307	$ 305,439

Liabilities:	
Unearned Revenues	$ 1,654
Deferred Inflows:	
Unavailable Tax Revenues	293,478
Unavailable Other Revenues	10,307
Totals	$ 305,439

Enterprise funds also defer revenue recognition in connection with resources received, but not yet earned. As of December 31, 2014, the unearned revenue balances for the Airport (Lease Revenue) and Transit System (Prepayments for Services) are $9,311 and $3,432, respectively.

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, 2014.

Governmental Activities	Beginning Balance	Increases	Decreases	Adjustment*	Ending Balance
Capital Assets, not being depreciated					
Land	$ 59,311	$ -	$ -	$ -	$ 59,311
Construction in progress	67,679	42,021	(34,561)	-	75,139
Total Capital Assets, not being depreciated	**126,990**	**42,021**	**(34,561)**	**-**	**134,450**
Capital Assets, being depreciated					
Land Improvements	253,354	7,457	-	-	260,811
Buildings	630,503	23,748	(10,117)	-	644,134
Fixed Equipment Buildings	56,867	3,276	(2,431)	-	57,712
Infrastructure	192,188	6,216	(4,448)	-	193,956
Machinery and Equipment	99,290	2,277	(14,549)	3,460	90,478
Vehicles and Related Equipment	75,828	5,970	(1,545)	-	80,253
Furniture and Fixtures	6,405	342	-	-	6,747
Total Capital Assets, being depreciated	**1,314,435**	**49,286**	**(33,090)**	**3,460**	**1,334,091**
Less: Accumulated Depreciation					
Land Improvements	(157,224)	(7,778)	-	-	(165,002)
Buildings	(391,283)	(16,275)	4,642	-	(402,916)
Fixed Equipment Buildings	(37,991)	(2,607)	2,412	-	(38,186)
Infrastructure	(88,067)	(9,697)	4,448	-	(93,316)
Machinery and Equipment	(79,133)	(5,091)	14,549	(3,286)	(72,961)
Vehicles and related Equipment	(34,891)	(6,596)	1,495	-	(39,992)
Furniture and Fixtures	(1,858)	(466)	-	-	(2,324)
Total Accumulated Depreciation	**(790,447)**	**(48,510)**	**27,546**	**(3,286)**	**(814,697)**
Net Capital Assets being depreciated	**523,988**	**776**	**(5,544)**	**174**	**519,394**
Governmental Activities Capital Assets- Net	**$ 650,978**	**$ 42,797**	**$ (40,105)**	**$ 174**	**$ 653,844**

* Prior years acquisitions that were not recorded on the financial statements until 2014.

Governmental Activities capital assets, net of accumulated depreciation, as of December 31, 2014 are comprised of the following:

General Capital Assets, Net	$ 637,582
Internal Service Fund Capital Assets, Net	16,262
Total Capital Assets, Net	**$ 653,844**

Note 5 - Capital Assets (cont.)

Depreciation is charged to governmental functions as follows:

Legislative and Executive and Staff	$ 4,059
Courts and Judiciary	166
General Governmental Services	1,321
Public Safety	6,388
Public Works and Highways	18,455
Human Services	3,798
Parks, Recreation and Culture	14,323
Total	**$ 48,510**

The following is a summary of changes in capital assets for Business-type Activities for the year ended December 31, 2014.

Business-type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	$ 21,367	$ 733	$ -	$ 22,100
Construction in progress	67,919	58,235	(50,658)	75,496
Total Capital Assets, not being depreciated	**89,286**	**58,968**	**(50,658)**	**97,596**
Capital Assets, being depreciated				
Land Improvements	187,681	8,953	-	196,634
Buildings	130,074	14,925	-	144,999
Fixed Equipment Buildings	193,580	60,762	(61)	254,281
Machinery and Equipment	22,806	1,262	-	24,068
Vehicles and related Equipment	166,504	15,087	-	181,591
Furniture and Fixtures	6,916	-	-	6,916
Total Capital Assets, being depreciated	**707,561**	**100,989**	**(61)**	**808,489**
Less: Accumulated Depreciation				
Land Improvements	(80,293)	(8,215)	-	(88,508)
Buildings	(63,964)	(5,018)	-	(68,982)
Fixed Equipment Buildings	(68,611)	(14,143)	20	(82,734)
Machinery and Equipment	(15,253)	(2,107)	-	(17,360)
Vehicles and Related Equipment	(85,980)	(11,738)	-	(97,718)
Furniture and Fixtures	(3,289)	(501)	-	(3,790)
Total Accumulated Depreciation	**(317,390)**	**(41,722)**	**20**	**(359,092)**
Net Capital Assets, being depreciated	**390,171**	**59,267**	**(41)**	**449,397**
Business-type Activities Capital Assets- Net	**$ 479,457**	**$ 118,235**	**$(50,699)**	**$ 546,993**

Note 5 - Capital Assets (cont.)

Depreciation is charged to Business-type Activities as follows:

Airports	$ 27,534
Transit System	14,188
Total	**$ 41,722**

Discretely Presented Component Units

Of the County's four component units, three have reportable capital assets.

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

Construction in progress	$ 1,319
Building additions and improvements	19,509
Furniture, equipment and exhibits improvements	11,345
Less: Accumulated depreciation	(17,408)
Capital Assets, Net	$ 14,765

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

Machinery, Vehicles and Equipment	$ 96
Less: Accumulated Depreciation	(56)
Capital Assets, Net	$ 40

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

Building Improvements	$ 25,223
Machinery, Vehicles and Equipment	1,688
Less: Accumulated Depreciation	(16,632)
Capital Assets, Net	$ 10,279

Construction Commitments

Following is a list of **capital projects approved** by the Milwaukee County Board of Supervisors per the 2014 Adopted Capital Improvements Budget. These reflect projects for both governmental and proprietary funds.

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2014 Appropriations		2014 Expenditures & Encumbrances
	Airports (WA)			
WA042	GMIA Bag Claim Remodeling	$ -	*	$ 35,720
WA044	GMIA - In-Line Baggage Screening	-	*	3,285
WA064	Phase II Mitigation Program	14,110	***	12,455
WA072	LJT R/W & Tw Rehabilitation	-	*	19
WA094	Runway Safety Area - Nepa Comp	-	*	199
WA096	Parking Structure Relighting	-	*	242
WA108	Terminal HVAC Replacements	-	*	(113)
WA112	GMIA Taxiway R & R3 Reconstruct	-	*	-
WA122	GMIA Airfield Pavement Rehab	1,120	***	1,146
WA123	GMIA Runway Safety Improvement	400	***	1,112
WA125	Security & Wildlife Deter Peri	291	**	403
WA130	Part 150 Noise Barrier Study	-	*	278
WA139	GMIA - Redundant Main Electric	-	*	5,145
WA141	GMIA Training Facility	-	*	55
WA148	Fleet Maintenance Expansion	-	*	584
WA149	Snow Equipment Storage Bldg	-	*	1
WA153	Purchase Non-Cnty Owned Jet Bri	-	*	1
WA158	GMIA - Deicer Pads	-	*	10,778
WA161	GMIA Terminal Roadway Signage	-	*	2,276
WA162	GMIA Cessna Service Apron Reconstruct	-	*	736
WA163	Perimeter Rd Bridge-Howard Ave	750	***	2,975
WA167	GMIA Terminal Escalator Replace	1,300	***	1,292
WA169	LJT Runway and Taxiway Lights	-	*	153
WA172	GMIA Sanitary Sewer Upgrade	300	***	679
WA173	GMIA Fuel Farm Electrical Service	-	*	624
WA176	GMIA Master Plan Agis/Ealp	-	*	286
WA177	GMIA Parking Structure Repairs	-	*	39
WA178	GMIA Parking Gar Rental Car Area	-	*	281
WA180	GMIA Runway 7L-25R Resurface	2,100	**	1,797
WA181	LJT Runway 4L-22R Resurface	1,285	**	17
WA182	GMIA Snow Melter	-	*	745
WA184	GMIA Squitter Transponders	-	*	536
WA185	GMIA Surveillance System	-	**	1,138
WA186	HVAC Retrocommissioning	-	**	342
WA201	GMIA Terminal Exp Center Checkup	-	**	184

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2014 Appropriations		2014 Expenditures & Encumbrances
	Courthouse Complex (WC)			
WC013	Criminal Justice Center Deputy Workstations	$ -	*	$ 188
WC023	Courthouse Complex Automation & Access	-	*	194
WC027	Courthouse Light Court Window	672	***	96
WC038	Courthouse Roof Drain	-	*	-
WC050	Courtroom Pa System Replace	-	*	60
WC070	Domestic Violence Area Reconstruct	-	*	68
WC071	DA Security Card System	-	*	43
WC075	Courthouse Masonry Improvement	-	*	8
WC078	Mke Justice Center Area Build Out	-	*	381
WC081	Safety Bldg Cooling Tower Replace	-	***	178
WC086	City Campus Cooling Towers Replace	-	*	13
WC088	Courthouse Sec X-Ray Equip	207	**	199
WC095	Courthouse Basement Masonry	380	**	28
WC098	Victim Witness Secure Entrance	-	*	13
WC100	Courthouse Major Maintenance	-	*	98
WC102	Courthouse Cooling Tower	500	**	289
WC103	CJ Cooling Tower	-	*	364
WC114	Safety Building Generator	-	**	84
	Behavioral Health (WE)			
WE027	BHD Parking Lots	-	*	176
WE028	Replace Nurse Call System	-	*	65
	County Grounds (WG)			
WG012	1000 Mg Waterspheroid (190` Tc	-	*	29
WG017	VJPPC Fire Prot Monitor System	197	**	50
WG018	Res Park Fire Prot Monitor System	197	**	34
WG019	CATC Fire Prot Monitoring System	204	**	38
WG026	Children's Court Parking Lot /Access	-	*	2,172
WG027	CATC Parking Lot Replacement	-	*	2
	Highways (WH)			
WH001	W. Hampton 60th to N. 124th	1,146	***	291
WH002	Inter-Jurisdictional Traffic S	316	***	382
WH010	Mill Rd. 43rd St. to Sydney Pl	5,307	***	3,176
WH020	College Avenue - 13th to 20th	3,770	***	1,557

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2014 Appropriations		2014 Expenditures & Encumbrances
WH021	Mill Road - N. 84th to N. 56th	$ -		$ -
WH022	N. 107th St. Brown Deer to Ncl	-	*	141
WH030	Forest Home Bridge Over Root River	-	*	72
WH080	S. 76th Street to W. Forest Home	203	***	9
WH082	Reconstruct Cth ZZ College Ho	-	*	2
WH083	W. Silver Spring Drive to N. 124th	-	*	2
WH087	Ryan Rd. Culvert East of S. 112th	298	***	355
WH234	Highway Billing System	-	**	-
WH236	Green Infrastructure	470	**	455
	House Of Correction (WJ)			
WJ021	Acc HVAC System	1,992	**	1,259
WJ051	HOC Security Camera System	-	*	56
WJ063	HOC Roof Repairs	500	**	55
	Museum (WM)			
WM003	Electrical Distribution Replace	-	*	14
WM005	Museum Air Handling and Piping	-	*	5
WM010	MPM Elevator/Escalator Modern	124	**	74
WM015	Museum Exterior Window Replace	658	**	108
WM016	MPM Facade Repair	896	**	62
WM018	Rectify Stem/Condensate Piping	-	*	4
	Other Agencies (WO)			
WO038	Marcus Center HVAC Upgrade	-	*	115
WO048	Wil-O-Way Grant Rec Center Boiler Replace	-	*	32
WO057	Wil-O-Way Storage Room	-	*	32
WO060	Doctor Park - Parking Lot	-	*	349
WO064	Wil-O-Way Rec Center Entrance	-	*	92
WO071	Wil-O-Way Grant Rec Ct 2nd ADA Exit	-	*	18
WO086	Milwaukee River Parkway Recons	264	**	36
WO106	Fleet Gen/Transfer Switch Replace	-	*	3
WO112	Fleet General Equipment construct	5,906	***	6,551
WO114	O'Donnell Park Improvements	-	*	1,538
WO115	Conversion To Independent Chiller	-	*	261
WO118	Historical Society Ext Renovate	-	*	186
WO128	Wil-O-Way Grant Interior Improvements	-	*	36
WO129	Wil-O-Way Underwood Wading Pool	-	*	22

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2014 Appropriations		2014 Expenditures & Encumbrances
WO130	Wil-O-Way Underwood Interior Improvement	$ -	*	$ 27
WO131	Wil-O-Way Underwood Single Stall Rr	-	*	18
WO132	Wil-O-Way Underwood HVAC Replacement	-	*	40
WO136	Trimborn Farm Stone Barn Roof	-	*	1
WO141	Zoo Interchange	-	*	590
WO143	Fleet/Vel Philips Ind Heating	-	*	186
WO150	Courthouse Fire Project	-	***	5,270
WO205	Fiscal Automation Program	255	***	359
WO215	Storage Expansion	-	*	158
WO218	Technical Infrastructure Replace	-	***	108
WO219	Narrowbanding	-	*	20
WO221	Data Center Equipment and Construct	-	*	19
WO223	Research Park Entrance Relocate	-	*	185
WO224	Zoo Inter Utilities Relocation	-	***	310
WO226	Charles Allis Boiler Replacement	210	**	209
WO229	Warehouse Facility Replacement	-	*	1,207
WO230	Fleet/Highways Bldg Modification	-	***	6,040
WO234	Liquid Chromatograph Tandem Ma	453	**	457
WO240	Project Management Software	-	**	20
WO424	Jail Management System	-	**	1,165
WO433	Glass Barrier at CJF	-	***	29
WO445	911 Answering System	579	**	5
WO514	War Memorial Window Replace & Repair	-	*	3
WO517	War Memorial Renovations	5,673	***	3,510
WO606	Rewire County Facilities	-	*	75
WO614	Build Out Ten Sites To Digital	7,126	***	10,372
WO619	Disaster Recovery Site	250	**	26
WO621	Windows Migration	2,860	**	2,457
WO626	Computer Replacements	-	***	1,558
WO627	Medical Examiner Case Mgt System	-	*	126
WO630	Marcus Center Elec Switch Gear	-	**	303
WO870	County Special Assessments	-	*	71
WO888	Uihlein #2 Elevator	-	*	158
WO895	Countywide Revlng Engr Acct	-	*	(2)
WO949	Inventory & Assess Cnty Bldgs.	-	*	413

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2014 Appropriations		2014 Expenditures & Encumbrances
	Parks (WP)			
WP063	Estabrook Dam Rehabilitation	$ -	*	$ 107
WP069	Countywide Play Area Redevelop	-	*	23
WP070	Oak Leaf Trail - Kohl Park	-	*	152
WP090	Greenfield Coping Stone	-	*	198
WP129	Athletic Fields	243	***	378
WP131	Bluemound - Rainbow Park	-	***	214
WP132	Mitchell Park Domes Generator	-		-
WP143	Mitchell Park Greenhouse	-	*	682
WP167	Greenfield Golf 15th Tee Restr	-	***	546
WP172	Dretzka Park Golf Course Clubhouse	-	*	323
WP191	Moody Pool Renovation	-	***	2,258
WP192	Bradford Beach Parking Lot/Bike Trail	-	***	846
WP202	MLK Jr. Community Center HVAC	-	*	1,545
WP203	Kosciuszko CC HVAC	200	**	153
WP221	Lincoln Golf Course Irrigation	-	*	699
WP227	Grant Park Pedestrian Bridges	-	*	10
WP228	Boat Launch Piers Replacement	-	*	8
WP229	Dineen Parking Lot and Walkway	-	*	2
WP248	Sports Complex Security System	-	*	8
WP251	Parks Maintenance Shop Roof	-	***	186
WP252	Root River Parkway Lighting System	-	*	27
WP260	Holler Park Pool Sand Filt Sys	-	*	6
WP264	Estabrook Dam Impd Sed Remed.	-	*	2,205
WP269	Wehr Nature Center Improvement	-	*	116
WP270	Oak Creek Parkway Lighting Sys	-	*	419
WP271	Johnson Park Pavilion	-	*	34
WP272	Noyes Pool Roof Replacement	-	*	124
WP273	Grobschmidt Park Pool Rehab	-	*	13
WP275	Menomonee River Parkway Wetlands	-	***	360
WP279	Humboldt Park Walkways	1,249	***	799
WP280	Menomonee River Parkway Recon	3,195	***	3,154
WP281	Scout Lake Pavilion Roof Replace	-	*	-
WP284	Clarke Square Playground	-	*	13
WP287	Greenfield GC Irrigation	-	***	777
WP296	Smith Park Electrical Services Rep	99	**	95

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2014 Appropriations		2014 Expenditures & Encumbrances
WP297	OLT Sheridan Park Lunham/Pulaski	$ 500	**	$ 14
WP298	South Shore Boat Launch	84	**	111
WP302	Countywide Playground Resurface	122	**	81
WP395	Cannon Park Pavilion Furnaces	-	*	228
WP396	Carver Park Playground	264	**	265
WP397	Kern Park Playground	264	**	133
WP399	Pulaski Pool Improvements	1,962	**	568
WP461	McGovern Park Basketball Court	248	**	12
WP462	Dineen Park Tennis Courts Replace	454	**	460
WP463	Tiefenthaler Park Play Area Re	110	**	107
WP464	Lincoln Mem Drive Lighting Ret	-	**	119
WP465	Tennis Courts Lighting Retros	-	**	95
	Human Services (WS)			
WS032	Variable Air Volume Boxes - Up	-	*	46
WS034	Washington Park SC - Roof Replace	245	***	358
WS035	Coggs Roof Replacement	-	*	29
WS040	McGovern Main Kitchen Replace	-	*	31
WS042	Kelly Senior Center Exterior D	81	**	1
WS044	Washington SC Restroom Reno	123	**	1
	Transit (WT)			
WT026	New Flyer Buses	-	*	4,919
WT027	Fare Box Renovation	-	*	2,591
WT040	New Annunciators	-	*	1,459
WT049	Bus Vacuum Sys at KK Garage	-	*	619
WT052	Fire Alarm Sys at FL Garage	-	*	32
WT053	Bus Vacuum Sys Fiebrantz Garage	-	*	201
WT054	Bus Wash Sys at KK Garage	-	*	647
WT056	Replace HVAC Sys at KK Garage	-	*	643
WT057	Replace FL Bus Wash System	-	*	978
WT066	Bus Wash Sys Fiebrantz Garage	-	*	357
WT067	Roof Flashing-Mats Fleet Maint	-	*	5
WT069	Replace UST at Mats Fleet Main	-	*	25
WT071	Bus Protector Shields	-	*	681

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2014 Appropriations		2014 Expenditures & Encumbrances
	Environmental (WV)			
WV009	Countywide Sanitary Sewers Re	$ 75	***	$ 91
WV012	Pond and Lagoon Demonstration	-	*	5
WV014	Dretzka Park Groundwater and Soil	-	*	5
WV016	Nr216 Stormwater Toss Controls	-	*	11
WV018	Underground Storage Tanks	-	*	321
WV020	Root River Asbestos Dump Removal	-	*	23
WV022	Franklin Landfill Infrastructure.	-	*	15
WV024	College Ave Storm Water Pond	96	**	85
WV025	Rawson Avenue Pump Station	-	*	1,676
WV029	Grant Park Lift Station	-	***	193
	Zoo (WZ)			
WZ014	Sea Lion Renovations	-	*	33
WZ038	Peck Center HVAC Replacement	-	*	5
WZ040	Polar Bear & Seal Exhibit Stru	-	*	144
WZ041	Aviary Fire & Smoke Detection	-	*	2
WZ042	Primate House Fire & Smoke Detect	-	*	36
WZ045	Arc Electrical Service Extension	-	*	15
WZ057	Zoo Aviary Roof Replacement	1,774	***	196
WZ063	Winter Quarters Main Roof Replace	-	***	504
WZ067	Zoo Seal Lion Pool Coating	-	*	122
WZ073	Zoo South End Service Garage	-	*	133
WZ083	Zoo Pavement and Lighting	-	***	1,171
WZ089	Zoo South End Hay Barn Roof	-	*	21
WZ099	Zoo Arc Chimney Bases Rehab	-	*	30
WZ100	Elephant Svc Area Utility Prot	-	*	10
WZ101	Apes Bldg Boiler Replacement	-	*	286
WZ103	Train Garage Overhead Crane	-	*	58
WZ107	Bear Service Area Improvements	-	*	320
WZ112	Pachyderm Building Tunnel Rein	577	**	50
WZ114	Zoo Life Support Emergency Gen	-	*	52
WZ115	Great Apes Mech Room Roof Replace	-	***	133
WZ120	Hippopotamus Exhibit Renovation	4,800	**	-
WZ150	Zoo Conf Center & Access Dr.	-	**	190
WZ600	Zoo Master Plan	-	*	34
WZ601	Point Of Sale Replacement	-	*	89
	Totals	**$ 80,034**		**$ 181,478**

Note 5 - Capital Assets (cont.)

* Project has funding appropriation carryovers from 2013.
** Project has additional funding appropriations in 2014.
*** Project has both funding carryovers from 2013 and additional funding in 2014.

Following is a list of **capital projects transfers** made in 2014. These reflect projects for both governmental funds and proprietary funds.

Project Number	Project Description	2014 Transfers		2014 Expenditures & Encumbrances
	Airports (WA)			
WA185	GMIA Surveillance System	$ 10,200	**	$ 1,138
WA186	HVAC Retrocommissioning	756	**	342
WA201	GMIA Terminal Exp Center Checkp	222	**	184
	Courthouse Complex (WC)			
WC025	Courthouse Restroom Renovation	(180)	*	-
WC038	Courthouse Roof Drain	(86)	*	-
WC070	Domestic Violence Area Reconstruct	(31)	*	68
WC071	DA Security Card System	(5)	*	43
WC081	Safety Bldg Cooling Tower Repl	50	***	179
WC086	City Campus Cooling Towers Repl	(125)	*	13
WC114	Safety Building Generator	100	**	84
	Behavioral Health (WE)			
WE056	Acute/Children's Whiteboard Un	145	**	-
	County Grounds (WG)			
WG012	1000 Mg Waterspheroid (190` Tc	(60)	*	29
WG017	VJPPC Fire Prot Monitor System	150	**	50
WG018	Res Park Fire Prot Monitor System	28	**	34
WG019	CATC Fire Prot Monitoring System	64	**	38
WG026	Children's Court Parking Lot /Access	(250)	*	2,172
	Highways (WH)			
WH020	College Avenue - 13th to 20th	(50)	***	1,557
WH087	Ryan Rd. Culvert East of S. 112th	50	***	355
WH234	Highway Billing System	689	**	-

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2014 Transfers		2014 Expenditures & Encumbrances
	House of Correction (WJ)			
WJ051	HOC Security Camera System	$ (11)	*	$ 56
	Other Agencies (WO)			
WO060	Asphalt and Pavement Improvement Program	(24)	*	349
WO073	Underwood Creek Parkway- Olt Program	(77)	*	-
WO141	Zoo Interchange	(847)	*	590
WO143	Fleet/Vel Philips Ind Heating	(190)	*	186
WO150	Courthouse Fire Project	2,046	***	5,270
WO205	Fiscal Automation Program	70	***	359
WO217	Phone and Voicemail Replacement	552	**	-
WO218	Technical Infrastructure Replace	1	***	108
WO221	Data Center Equipment and Construct	(132)	*	19
WO224	Zoo Inter Utilities Relocation	13	***	310
WO230	Fleet/Highways Bldg Modification	1,287	***	6,040
WO236	Data Consulting/Call Center Ug	550	**	-
WO240	Project Management Software	200	**	20
WO424	Jail Management System	1,165	**	1,165
WO433	Glass Barrier at CJ	62	***	29
WO614	Build Out Ten Sites To Digital	3,000	***	10,372
WO621	Windows Migration	(171)	**	2,457
WO626	Computer Replacements	170	***	1,558
WO630	Marcus Center Elec Switch Gear	300	**	303
WO948	Master Real Prop Ind	633	**	-
WO952	AODA Housing	500	**	-
	Parks (WP)			
WP070	Oak Leaf Trail - Kohl Park	(53)	*	152
WP131	Bluemound - Rainbow Park	35	***	214
WP167	Greenfield Golf 15th Tee Restr	175	***	546
WP172	Dretzka Park Golf Course Clubhouse	(30)	*	323
WP191	Moody Park Renovation	313	***	2,258
WP192	Bradford Beach Parking Lot and Bike Trail	2,158	***	846
WP200	Jackson Boat House Roof	(101)	*	-
WP221	Lincoln Golf Course Irrigation	(130)	*	699
WP229	Dineen Parking Lot and Walkway	(20)	*	2
WP251	Parks Maintenance Shop Roof	138	***	186

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2014 Transfers		2014 Expenditures & Encumbrances
WP252	Root River Parkway Lighting System	$ (19)	*	$ 27
WP257	Ki Sports Complex #1 Fencing	(2)	*	-
WP267	Cop Drexel Ave (Howell To 13th)	(260)	*	-
WP275	Menomonee River Parkway Wetlands	150	***	360
WP280	Menomonee River Parkway Recon	227	***	3,154
WP281	Scout Lake Pavilion Roof Repl	(8)	*	-
WP287	Greenfield GC Irrigation	130	***	777
WP298	South Shore Boat Launch	38	**	111
WP395	Cannon Park Pavilion Furnaces	(23)	*	228
WP464	Lincoln Mem Drive Lighting Ret	128	**	119
WP465	Tennis Courts Lighting Retros	601	**	94
	Human Services (WS)			
WS032	Variable Air Volume Boxes - Up	(1)	*	46
WS038	Coggs Canopy Renovation	(92)	*	-
	Environmental (WV)			
WV014	Dretzka Park Groundwater and Soil	(9)	*	5
WV025	Rawson Avenue Pump Station	(217)	*	1,676
WV029	Grant Park Lift Station	100	***	193
	Zoo (WZ)			
WZ014	Zoo Infrastructure Improvements	(3)	*	34
WZ063	Winter Quarters Main Roof Repl	140	***	504
WZ083	Zoo Pavement and Lighting	85	***	1,171
WZ089	Zoo South End Hay Barn Roof	(15)	*	21
WZ100	Elephant Svc Area Utility Prot	(41)	*	10
WZ107	Bear Service Area Improvements	(150)	*	321
WZ108	Peck Boardwalk Hangers	(19)	*	-
WZ114	Zoo Life Support Emergency Gen	(1)	*	52
WZ115	Great Apes Mech Room Roof Repl	64	***	133
WZ150	Zoo Conf Center & Access Dr.	8,500	**	190
	Totals	**$ 32,552**		**$ 49,929**

* Project has funding appropriation carryovers from 2013.
** Project has additional funding appropriations in 2014.
*** Project has both funding carryovers from 2013 and additional funding in 2014.

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.

2014 Funding Total	
Encumbrances and Carryovers from 2013	$207,793
2014 Appropriations	80,034
2014 Transfers	32,552
Total	$320,379

2014 Appropriations - Funding Source	
Bonds	$ 37,467
Land Sale Revenue	156
Miscellaneous Revenue	100
PFC Revenue / Airport Reserve	4,158
Private Contributions	3,700
Property Tax Levy	512
Reimbursement Revenue	24,504
Sales Tax Revenue	9,437
Total	$ 80,034

2014 Transfers - Funding Source	
Bonds	$ (304)
Insurance Proceeds/Recoveries	2,046
Miscellaneous Revenue / Sale of Asset	12,854
Non-Airport Reserves	4,288
PFC Revenue / Airport Reserve	872
Reimbursement Revenue	12,796
Total	$ 32,552

Note 6 - Interfund Transfers

The composition of interfund transfers as of December 31, 2014 is as follows:

		Transfers From						
		Major Funds		Nonmajor Fund	Enterprise Funds		Internal Service Fund	
		General Fund	Capital Projects Fund	Behavioral Health Division	Airports	Transit	Information Management Services	**Total**
Transfers In	General Fund	$ -	$ 1,828	$ 1	$2,511	$13,796	$ 1,004	**$ 19,140**
	Debt Service Fund	85,338	-	-	-	-	-	**85,338**
	Capital Projects Fund	7,486	-	-	-	-	-	**7,486**
	Nonmajor Funds:							
	Zoo	2	-	-	-	-	-	**2**
	Parks	4	-	-	-	-	-	**4**
	Enterprise Funds:							
	Airports	4,643	-	-	-	-	-	**4,643**
	Transit	29,945	-	-	-	-	-	**29,945**
	Internal Service Funds:							
	Information Management Services	2,192	-	-	-	-	-	**2,192**
	Public Works Services	1,413	-	-	-	-	-	**1,413**
	Risk Management	3,310	-	-	-	-	-	**3,310**
	Total	**$134,333**	**$ 1,828**	**$ 1**	**$2,511**	**$13,796**	**$ 1,004**	**153,473**
	Less: Government-wide eliminations							**(135,192)**
	Total Transfers - Government-wide Statement of Activities							**$ 18,281**

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 $6,124 under this commitment as of December 31, 2014.

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

Note 7 – Leases (cont.)

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 $10,966 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 $2,462 and is presented in the capital assets in the Business-type Activities.

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities	Business-type Activities
Machinery & Equipment	$ 10,966	$ -
Vehicles and Related Equipment	-	2,462
Less: Accumulated Depreciation	(5,684)	(2,026)
Total	**$ 5,282**	**$ 436**

The future minimum lease payments and the net present value on these minimum lease payments as of December 31, 2014, are as follows:

Year Ending December 31	Governmental Activities	Business-type Activities
2015	$ 1,508	$ 148
2016	1,509	116
2017	1,508	116
2018	1,020	95
2019	931	-
2020 and beyond	932	-
Subtotals	7,408	475
Less: Escrow (unspent) balance	(1,542)	-
Less: Amount representing interest	(735)	(39)
Less: Unpaid draw	151	-
Present Value of Future Minimum Lease Payments	**$ 5,282**	**$ 436**

Operating Leases - Primary Government

The County leases facilities, office equipment, and vehicles. Total costs for such leases are $1,859 for the year ended December 31, 2014.

Note 7 – Leases (cont.)

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

Year Ending December 31	Amount
2015	$ 1,314
2016	368
2017	192
2018	147
2019	40
2020 and beyond	41
Total	**$ 2,102**

Note 8 - Long-Term Liabilities

Changes in Long-Term Liabilities

Governmental Long-Term Liability activity for the year ended December 31, 2014 is as follows:

Governmental Activities:	Beginning Balance	Additions	Payments	Ending Balance	Due in One Year
Bonds Payable:					
General Obligation Bonds	$ 693,526	$ 39,209	$ (72,483)	$ 660,252	$ 59,784
Add (Subtract) Deferred Amounts for:					
Premium	5,785	1,106	(1,707)	5,184	-
Discount	(158)	-	35	(123)	-
Subtotal Bonds Payable	699,153	40,315	(74,155)	665,313	59,784
Other Liabilities:					
Unfunded Claims and Judgments	4,000	-	(2,750)	1,250	-
Landfill Post-Closure Costs	5,514	2,137	(110)	7,541	1,154
Pollution Remediation Costs	12,755	4,791	(1,303)	16,243	1,285
Compensated Absences	39,180	23,534	(27,321)	35,393	20,562
Risk Claims	17,948	12,234	(10,719)	19,463	10,681
Other Post-Employment Benefits	297,418	60,114	(45,853)	311,679	-
Capital Leases	6,053	459	(1,230)	5,282	1,275
Subtotal Other Liabilities	382,868	103,269	(89,286)	396,851	34,957
Total Governmental Activities - (Non-current Liabilities)	**$ 1,082,021**	**$ 143,584**	**$(163,441)**	**$ 1,062,164**	**$ 94,741**

Note 8 - Long-Term Liabilities (cont.)

Governmental Compensated Absences consist of the following:

	Beginning Balance	Additions	Payments	Ending Balance	Due in One Year
Governmental Activities:					
Retirement sick pay payout	$ 16,992	$ 3,091	$ (5,132)	$14,951	$ 1,830
Vacation time earned	16,871	16,242	(16,872)	16,241	14,831
Overtime earned	2,254	1,845	(2,254)	1,845	1,710
Holiday pay	3,063	2,356	(3,063)	2,356	2,191
Total Compensated Absences	**$ 39,180**	**$ 23,534**	**$(27,321)**	**$35,393**	**$ 20,562**

Business-type Long-Term Liability activity for the year ended December 31, 2014 is as follows:

Business-type Activities:	Beginning Balance	Additions	Payments	Ending Balance	Due in One Year
Bonds Payable:					
General Obligation Bonds	$ 28,204	$ 31	$ (3,473)	$ 24,762	$ 2,425
Revenue Bonds	225,940	23,655	(35,925)	213,670	10,750
Add (Subtract) Deferred Amounts for:					
Premium	6,802	3,504	(1,085)	9,221	-
Discount	(1,907)	(421)	712	(1,616)	-
Subtotal Bonds Payable	259,039	26,769	(39,771)	246,037	13,175
Other Liabilities:					
Compensated Absences	11,179	5,693	(6,188)	10,684	5,586
Risk Claims	14,875	8,089	(9,928)	13,036	7,786
Other Post-Employment Benefits - Transit	-	15,511	(15,511)	-	-
Other Post-Employment Benefits - Airport	12,620	4,135	(2,793)	13,962	-
Capital Leases	245	446	(255)	436	132
Subtotal Other Liabilities	38,919	33,874	(34,675)	38,118	13,504
Total Business-type Activities - (Non-current Liabilities)	**$ 297,958**	**$ 60,643**	**$(74,446)**	**$ 284,155**	**$ 26,679**

Note 8 - Long-Term Liabilities (cont.)

Business-type Compensated Absences consist of the following:

	Beginning Balance	Additions	Payments	Ending Balance	Due in One Year
Business-type Activities:					
Retirement sick pay payout	$ 6,008	$ 948	$ (1,017)	$ 5,939	$ 965
Vacation time earned	4,568	4,501	(4,568)	4,501	4,402
Overtime earned	436	126	(436)	126	113
Holiday pay	167	118	(167)	118	106
Total Compensated Absences	**$ 11,179**	**$ 5,693**	**$ (6,188)**	**$10,684**	**$ 5,586**

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, $42,591 of internal service funds long-term liabilities is included in the above figures. 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, 2014, the outstanding amount of claims and judgments due within one year totaled $0 (zero) and the long-term liability is $1,250.

In accordance with GASB Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Post closure Care Costs, the County has recorded a long-term liability for its estimated maintenance and monitoring costs for closed landfill sites. As of December 31, 2014, the estimated liability for costs due within one year totaled $1,154 and the long-term liability is $6,387. 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, 2014, the estimated liability for costs due within one year totaled $1,285 and the long-term liability is $14,958. 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, 2014, the outstanding amount of risk claims due within one year totaled $18,467 and the long-term liability is $14,032.

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

Note 8 - Long-Term Liabilities (cont.)

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 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.

The ratio of the aggregate indebtedness of all taxing authorities located within the County to equalized value of the taxable property is approximately 6.11% including 1.18% related to direct County indebtedness at December 31, 2014.

Bond Issue	Date of Bond	Final Maturity Date	Average Interest Rate	Original Indebtedness	Principal Outstanding 12/31/2014	Interest to Maturity
General Obligation Refunding Bonds, Series 2003A	07/01/03	08/01/17	3.48%	$ 93,515	$ 18,778	$ 1,135
General Obligation Refunding Bonds, Series 2005B	11/01/05	10/01/15	3.89%	59,675	2,902	114
General Obligation Corporate Purpose Bonds, Series 2006A	04/01/06	10/01/21	4.14%	30,675	17,189	3,227
General Obligation Corporate Purpose Bonds, Series 2007A	06/01/07	12/01/22	4.12%	32,406	22,528	4,081
General Obligation Corporate Purpose Bonds, Series 2008A	06/01/08	12/01/23	3.93%	30,656	24,139	4,815
Taxable Pension Obligation Bonds, Series 2009A	04/02/09	12/01/28	6.36%	265,000	133,488	88,784
General Obligation Corporate Purpose Bonds, Series 2009C	08/01/09	10/01/24	5.04%	24,139	24,139	7,927
General Obligation Promissory Notes, Series 2009D	08/01/09	10/01/16	2.00%	7,205	4,850	157

Note 8 - Long-Term Liabilities (cont.)

Bond Issue	Date of Bond	Final Maturity Date	Average Interest Rate	Original Indebtedness	Principal Outstanding 12/31/2014	Interest to Maturity
Taxable General Obligation Corporate Purpose Bonds Series 2009E	11/15/09	08/01/24	4.87%	$ 24,051	$ 22,581	$ 6,945
General Obligation Promissory Notes, Series 2009F	11/15/09	08/01/19	2.55%	15,610	6,455	479
Taxable General Obligation Corporate Purpose Bonds, Series 2010A	05/01/10	10/01/25	4.60%	19,979	19,979	5,573
General Obligation Promissory Notes, Series 2010B	05/01/10	10/01/18	2.37%	12,325	6,580	415
General Obligation Corporate Purpose Bonds, Series 2010C	12/21/10	10/01/26	4.90%	27,207	25,340	9,413
General Obligation Promissory Notes, Series 2010D	12/21/10	10/01/20	2.82%	9,770	6,745	873
General Obligation Refunding Bonds, Series 2011A	03/15/11	10/01/18	5.04%	28,737	16,293	1,468
General Obligation Refunding Bonds, Series 2012A	12/20/12	12/01/20	1.00%	21,804	20,162	2,623
Taxable Pension Oblig Replacement Bonds, Series 2013A	02/12/13	12/01/30	3.28%	138,730	133,725	49,475
Taxable Pension Oblig Tender Refund Bonds, Series 2013B	06/27/13	12/01/23	2.76%	99,300	90,075	13,212
General Obligation Corporate Purpose Bonds, Series 2013A	08/14/13	09/01/23	2.43%	26,935	25,095	3,372
Taxable General Obligation Corporate Purpose Bonds, Series 2014A	11/06/14	12/01/29	2.60%	39,209	39,209	9,003
Total Governmental Activities - General Obligation Debt					**$660,252**	**$ 213,091**
Premium					5,184	
Discount					(123)	
Total Governmental Activities - General Obligation Debt, Net					**$ 665,313**	

Note 8 - Long-Term Liabilities (cont.)

	Principal Outstanding 12/31/2014
Bonds and Notes Payable - General Obligation (Current Liabilities)	$ 59,784
Bonds and Notes Payable - General Obligation (Non-current Liabilities)	605,529
Total Debt per Statement of Net Position - Governmental Activities	**$ 665,313**

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, 2014 under Wisconsin Statutes, the County could borrow an additional $2,262,620.

At December 31, 2014, the Governmental Activities weighted average interest rate of general obligation bonds and notes outstanding is 4.01%.

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

December 31	Principal	Interest	Total Debt Service Requirements
2015	$ 59,784	$ 26,387	$ 86,171
2016	58,034	24,601	82,635
2017	56,794	22,796	79,590
2018	49,346	21,011	70,357
2019	47,797	19,326	67,123
2020-2024	206,371	69,862	276,233
2025-2029	157,285	28,031	185,316
2030	24,841	1,077	25,918
Total Debt Service	**$ 660,252**	**$ 213,091**	**$ 873,343**

On November 6, 2014, the County issued $39,240 of General Obligation Corporate Purpose Bonds, Series 2014A. Total proceeds of $40,025 (par amount of bond issue of $39,240, plus net premium and underwriters' discount of $785) 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 2014 Adopted Capital Improvement Budget. The bonds of $39,240 are recorded in Governmental Activities and the Business-type Activities on the Statements of Net Position.

The bonds have semi-annual interest payments on June 1 and December 1 through 2029. The interest rate is 2.0% for 2015 through 2020, 3.0% from 2021 through 2026, 3.125% in 2027 and 3.25% for 2028 through 2029.

Note 8 - Long-Term Liabilities (cont.)

Business-type Activities

The County has pledged future airport revenues generated from the ownership and operation of General Mitchell International Airport and Lawrence J. Timmerman Airport, net of specified operating expenses, to repay $213,670 of revenue bonds issued in previous years. Proceeds from the revenue bonds provided financing for capital improvements. The bonds are payable solely from net revenues and deposits made to the Coverage Fund, and are payable through December 1, 2038. The Coverage Fund is equal to 25% of the highest annual revenue bond debt service amount. Net revenues plus Coverage Fund assets are required to cover a minimum of 125% of annual debt service for the revenue bonds. Principal and interest paid for the current year and net revenues plus Coverage Fund assets are $19,706 and $31,772, respectively, resulting in net revenues plus Coverage Fund assets of 136% of annual debt service for 2014. The principal and interest payment of $19,706 represents 23% of operating revenues. The total principal and interest remaining to be paid on the revenue bonds is $323,277.

Bond Issue	Date of Bond	Final Maturity Date	Average Interest Rate	Original Indebtedness	Principal Outstanding 12/31/2014	Interest to Maturity
General Obligation Refunding Bonds, Series 2003A	07/01/03	08/01/17	3.48%	$ 6,510	$ 1,307	$ 79
General Obligation Refunding Bonds, Series 2005B	11/01/05	10/01/15	3.89%	3,350	163	6
General Airport Revenue Bonds, Series 2005A	12/22/05	12/01/30	4.90%	29,010	28,015	13,157
General Obligation Corporate Purpose Bonds, Series 2006A	04/01/06	10/01/21	4.14%	920	516	97
General Airport Revenue Bonds, Series 2006A	11/16/06	12/01/31	4.60%	25,665	20,760	10,422
General Airport Revenue Refunding Bonds, Series 2006B	10/01/06	12/01/15	4.08%	5,020	350	16
General Obligation Corporate Purpose Bonds, Series 2007A	06/01/07	12/01/22	4.12%	219	153	28
General Airport Revenue Bonds, Series 2007A	11/15/07	12/01/32	4.60%	13,445	11,120	5,639
General Obligation Corporate Purpose Bonds, Series 2008A	06/01/08	12/01/23	3.93%	204	161	32
General Obligation Corporate Purpose Bonds, Series 2009C	08/01/09	10/01/24	5.04%	636	636	209
Taxable General Obligation Corporate Purpose Bonds Series 2009E	11/15/09	08/01/24	4.87%	6,314	5,929	1,823

Note 8 - Long-Term Liabilities (cont.)

Bond Issue	Date of Bond	Final Maturity Date	Average Interest Rate	Original Indebtedness	Principal Outstanding 12/31/2014	Interest to Maturity
General Airport Revenue Bonds, Series 2009A	12/21/09	12/01/32	4.90%	$ 12,690	$ 12,690	$ 6,527
Taxable General Obligation Corporate Purpose Bonds, Series 2010A	05/01/10	10/01/25	4.60%	2,746	2,746	766
General Obligation Corporate Purpose Bonds, Series 2010C	12/21/10	10/01/26	4.90%	10,958	10,205	3,791
General Airport Revenue Refunding Bonds, Series 2010B	10/14/10	12/01/23	3.75%	51,590	35,475	8,373
General Airport Revenue Bonds, Series 2010A	10/14/10	12/01/34	4.30%	31,570	31,570	17,474
General Obligation Refunding Bonds, Series 2011A	03/15/11	10/01/18	5.04%	3,020	1,712	154
General Obligation Refunding Bonds, Series 2012A	12/20/12	12/01/20	1.00%	1,301	1,203	157
General Airport Revenue Bonds, Series 2013A	08/14/13	12/01/38	4.88%	47,095	47,095	36,196
General Airport Revenue Refunding Bonds, Series 2013B	08/14/13	12/01/22	2.81%	3,330	2,940	407
General Airport Revenue Refunding Bonds, Series 2014A	11/06/14	12/01/29	3.10%	23,655	23,655	10,444
Taxable General Obligation Corporate Purpose Bonds, Series 2014A	11/06/14	12/01/29	2.60%	31	31	8
Total Business-type - General Obligation and Revenue Bond Debt					**$ 238,432**	**$115,805**
Premium					9,221	
Discount					(1,616)	
Total Business-type - General Obligation and Revenue Bond Debt					**$ 246,037**	
Bonds and Notes Payable - General Obligation (Current Liabilities)					$ 2,425	
Bonds and Notes Payable - Revenue (Current Liabilities)					10,750	
Bonds and Notes Payable - General Obligation (Non-current Liabilities)					22,576	
Bonds and Notes Payable - Revenue (Non-current Liabilities)					210,286	
Total Debt per Statement of Net Position - Business-type Activities					**$ 246,037**	

Note 8 - Long-Term Liabilities (cont.)

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

December 31	Principal	Interest	Total Debt Service Requirements
2015	$ 13,175	$ 11,516	$ 24,691
2016	13,093	10,931	24,024
2017	13,430	10,325	23,755
2018	13,265	9,690	22,955
2019	13,145	9,058	22,203
2020-2024	69,620	35,214	104,834
2025-2029	56,250	19,857	76,107
2030-2034	34,190	7,617	41,807
2035-2038	12,264	1 597	13,861
Total Debt Service	**$ 238,432**	**$ 115,805**	**$ 354,237**

On November 6, 2014, the County issued $23,655 of 2014 Revenue Refunding Bonds Series 2014A to advance refund $27,160 of outstanding 2004 Revenue Bonds Series 2004A, which were callable as of December 1, 2014. Net Proceeds of $23,655 (par amount of bonds) along with $3,503 of premium funds were used to prepay the 2004 Revenue Bonds Series 2004A on December 1, 2014. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the outstanding bonds. As a result, the outstanding bonds are considered defeased and the liability for those bonds has been removed from these financial statements.

The 2014A Revenue Bonds have semi-annual interest payments on June 1 and December 1 through 2029. The interest rate is 4.0 % for 2015 and 5.00% from 2016 through 2029.

The cash flow requirements on the refunded bonds prior to the advance refunding was $38,111 from 2015 to 2029. The cash flow requirements on the refunding bonds are $34,278, a savings of $3,832. The advance refunding resulted in an economic gain (difference between the present values of the debt service payment of the old and new debt) of $2,745.

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 $12,130 as of December 31, 2014.

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

Note 8 - Long-Term Liabilities (cont.)

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 is $9,550.

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 are as follows:

Governmental Activities	2014
2016 Appropriations	$ 5,000
2015 Appropriations	5,000
Debt Service	40,238
Commitments	8,642
Capital Project Commitments	59,387
Administrative Services	7,016
Airport - PFC and Debt	27,398
Behavioral Health Division	17,855
Delinquent Property Tax	14,072
Department of Family Care - Excess Reserves	23,138
Department of Family Care - State Restricted	12,220
Fleet and Facilities Divisions	9,851
Housing	185
Parks	1,532
Persons with Disabilities	99
Zoo	1,118
Total Net Position - Restricted - Governmental Activities	**$232,751**

Business-type Activities	2014
Debt Service	$ 19,044
Commitments	4,432
Capital Asset Needs	16,357
Total Net Position - Restricted - Business-type Activities	**$ 39,833**

Note 9 - Net Position (cont.)

Discretely Presented Component Units

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

Temporarily Restricted:	2014
Exhibits and Museum Renovations	$ 79
Educational Lecture Costs	65
Purchase and Maintenance of Collections	321
Restricted for time	181
Capital Campaign - Debt	5,454
Endowment Fund:	
Purchase and Maintenance of Collections	658
Internship Programs	74
Total Temporarily Restricted Net Position	**$6,832**

Permanently Restricted:	2014
Operations	$2,548
Special Exhibits	1,238
Starr Adventure and Internship	73
Total Permanently Restricted Net Position	**$3,859**

The Restricted Net Position for the **Milwaukee County War Memorial, Inc.** consists of the following:

Temporarily Restricted:	2014
Purple Heart Memorial Fund	$ 5
Congressional Medal of Honor Fund	1
Memorial Day Parade Fund	5
Veteran's Courtyard Project Fund	612
9/11 Memorial Fund	4
Education Program	3
Vietnam Veterans Memorial	13
Total Temporarily Restricted Net Position	**$ 643**

The Restricted Net Position for the **Marcus Center for the Performing Arts** consists of the following:

Temporarily Restricted:	2014
Programming Events	$ 66

Note 9 - Net Position (cont.)

The Restricted Net Position for the **Milwaukee County Research Park Corp.** consists of the following:

Temporarily Restricted:	**2014**
Research Development Fund	$ 224

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 the State of Wisconsin statutes, the County's overall exposure for general liability and automobile liability is limited to $50 (fifty dollars) and $250 (two hundred fifty dollars) per person respectively. The County purchases commercial insurance to cover a substantial portion of the potential general liability, automobile liability and discrimination claims. The County also purchases commercial insurance for claims in excess of coverage provided by the Risk Management Fund and for all other risks of loss. Settled claims from insured losses have not exceeded commercial insurance coverage for each of the past three years.

All funds of the County except for the Transit System participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a claims reserve. In accordance with Governmental Accounting Standards Board Statement No 10, a liability for claims is reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

The County has recognized $19,463 of claims liabilities in the Risk Management Fund. The short-term portion is $10,681 and is classified as a current liability.

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

	Year Ended 12/31/2014	Year Ended 12/31/2013
Beginning of Year Liability	$ 17,948	$ 14,644
Current Year Claims and Changes in Estimates	12,234	13,098
Claims Payments	(10,719)	(9,794)
End of Year Liability	**$ 19,463**	**$ 17,948**

Note 10 - Risk Management (cont.)

The Transit System has recognized $13,036 of claims liabilities in the Transit System Fund. The short-term portion is $7,786 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 12/31/2014	Year Ended 12/31/2013
Beginning of Year Liability	$ 14,875	$ 17,052
Current Year Claims and Changes in Estimates	8,089	9,167
Claims Payments	(9,928)	(11,344)
End of Year Liability	**$ 13,036**	**$ 14,875**

Note 11 - Related Party Transactions

Milwaukee Public Museum, Inc.

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

On August 15, 2013, Milwaukee County and MPM entered into a new Lease and Management Agreement ("New Agreement") to replace and supersede the original agreement and all subsequent amendments. The New Agreement provided 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, 2014, MPM and the Milwaukee Public Museum Endowment Fund had raised $2,035 towards the $5,000 capital funding requirement.

MPM received $3,501 in annual support from the County, based upon MPM's fiscal year ending August 31, 2014.

Milwaukee County War Memorial, Inc.

Milwaukee County has a lease agreement with the Milwaukee County War Memorial, Inc. ("War Memorial") for the spaces occupied in County owned buildings located at the War Memorial Center Facility. The War Memorial is responsible for all operational functions of their occupied space and receives

Note 11 - Related Party Transactions (cont.)

$486 in support annually from Milwaukee County which will continue through 2023. There is no rent payable under the terms of the lease agreement.

In addition, there is a development agreement which addresses structural repairs and improvements to the War Memorial Center Facility. Planned repairs and improvements to existing space are estimated at $10,000 with construction having started in the fall of 2014. The County has appropriated $7,673 to be applied to the construction and renovation costs and has appropriated additional funds of $2,327 to be paid for these purposes between 2015 and 2017.

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

Marcus Center for the Performing Arts

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

The County provided $1,088 for the operation of the Marcus Center for the year ended December 31, 2014.

Milwaukee County Research Park Corporation

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 and the Watertown Plank Road Park and Ride Lot.

The County and MCRPC entered into a lease to manage and sublease the Technology Innovation Center, 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 the 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 square foot, payable monthly. Discounts to the base rental amount require approval by Milwaukee County. As occupancy occurs, the MCRPC pays the County 66-2/3% of the base rent collected.

At December 31, 2014, MCRPC has a receivable for $73 from the County for a new security system that was installed. MCRPC receives no annual support from the County.

Note 12 - Subsequent Events

Public Financing of New Arena

The City of Milwaukee is currently home to the Milwaukee Bucks ("Bucks"), a member of the National Basketball Association. The Bucks utilize the BMO Harris Bradley Center for practice and games, however, the facility is considered outdated and deteriorating, and if not replaced could result in the Bucks moving to a different city outside of the state. To prevent this from happening, Milwaukee County, the City of Milwaukee and the State of Wisconsin are working with the owners of the Bucks to develop plans to fund and build a new $500 million arena near the current one.

Current discussions for funding the new arena include the Bucks owners contributing $250 million and Milwaukee County, the City of Milwaukee and the State of Wisconsin contributing the remaining $250 million of the projected costs. For the County's share, consideration is being given to having the State reduce the amount of aid provided to Milwaukee County by $4 million per year to cover the County's share of the arena. The State and the City would also provide additional financing to make up the remainder of the $250 million. Further discussions and approvals by the various government legislative authorities are needed before any plans can be finalized.

Funding of County Pension Plan

The Milwaukee County Pension Board's actuarial consultant made an error in calculating Milwaukee County's 2015 pension payment resulting in underfunding of $16 million (assuming a 20 year amortization and revenue growth assumption of 1.75%). The error resulted from the inadvertent exclusion of a cost-of-living adjustment paid to retirees each year. Under pension plan rules, this amount must be made up within five years. Several options, including tapping the debt repayment reserve fund or a pension payment stabilization fund, are being considered.

Note 13 - Commitments and Contingencies

Claims and Other Legal Proceedings

The County is subject to numerous claims and other legal proceedings incidental to the ordinary course of its operations. For claims and other legal proceedings that are open at the end of 2014 but resolved in early 2015, a current liability is 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

Note 13 - Commitments and Contingencies (cont.)

system flow, and not storm water, from the County. The order will require future capital and operating commitments. For 2015, the commitment is $1,029.

The County has various environmental commitments that will require future capital and operating commitments that are not specifically court mandated. The 2015 commitments include: Landfills: $1,154 and Underground storage tank management: $256.

Intergovernmental Awards

Intergovernmental awards are subject to audit and adjustment by the funding agency or their representatives. If grant revenues are received for expenditures, which are subsequently disallowed, the County may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, would not be material to the accompanying government-wide and fund financial statements at December 31, 2014.

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 is capped as of June 23, 2012 to the unused balance at that date, less any subsequent sick leave usage. See Note 1, section D and item 1 for information regarding the County's accrued sick leave liability as of December 31, 2014.

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

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.

Funding Policy

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

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

Annual OPEB Cost and Net OPEB Obligation

The following schedules provide the components of the County's 2014, 2013, and 2012 OPEB costs:

Schedule of Annual OPEB Costs
For the Year Ended December 31

	2014	2013	2012
Normal Cost	$ 782	$ 2,228	$ 2,228
Amortization of Unfunded Actuarial Accrued Liability	69,857	85,680	85,680
Annual Required Contribution (ARC)	70,639	87,908	87,908
Interest on Net OPEB Obligation	15,502	17,080	15,347
Adjustment to the ARC	(21,891)	(21,013)	(18,876)
Annual OPEB Cost	**$ 64,250**	**$ 83,975**	**$ 84,379**

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

Schedule of Employer Contributions
For the Year Ended December 31

	2014	2013	2012
Premiums Paid on Behalf of Retirees	$ 42,761	$ 52,455	$ 56,287
Medicare Reimbursement	7,071	6,955	-
Less: Retiree Contributions	(1,185)	(796)	(796)
Net Employer Contribution	**$ 48,647**	**$ 58,614**	**$ 55,491**
Percent of Annual OPEB Cost Contributed by Employer	**75.7%**	**69.8%**	**65.8%**

Schedule of Net OPEB Obligation
For the Year Ended December 31

	2014	2013	2012
Net OPEB Obligation - January 1,	$ 310,038	$ 284,677	$ 255,789
Annual OPEB Cost	64,250	83,975	84,379
Less: Net Employer Contributions	(48,647)	(58,614)	(55,491)
Net OPEB Obligation - December 31	**$ 325,641**	**$ 310,038**	**$ 284,677**

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the County's OPEB plan is not funded. The actuarial accrued liability for benefits is $973,014 and there is no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $973,014. The annual payroll of active employees covered by the plan is $94,000, and the ratio of UAAL to covered payroll is 10.4 to 1.

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

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, also presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

The 2014 ARC was determined as part of the January 1, 2014 actuarial valuation using the Unit Credit Actuarial Cost Method with unfunded Actuarial Accrued liability amortized as a level dollar amount over 23 years on a closed basis. Significant actuarial assumptions used in the valuation include:

Investment rate of return	5.0%
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-2014 Mortality Fully Generational Projected using Projection Scale MP-2014
Disability rate	Current age
Retirement age	Current age and employment category
Withdrawal	Current age, years of service, and employment category
Inflation Rate	3.0%

Changes in Plan Provisions or Actuarial Assumption since Prior Year:

- Employee census has been updated to reflect the current population.
- The claim cost assumptions has been updated.
- The discount rate has been changed from 6.0%.
- The mortality assumption has been updated from RP-2000 Mortality Projected.

Contributions Required and Contributions Made

As of December 31, 2014, the County has 6,656 retirees enrolled in a health plan. The 2014 expenditures for retiree healthcare costs are $41,784. The County's 2014 expenditures also includes reimbursement of Medicare Part B premiums for health plan retirees of $7,071. The total health plan expenditures are offset by $614 in contributions from retirees who are responsible for the partial or full health benefit premium cost.

As of December 31, 2014, the County has 5,851 retirees enrolled in the group life insurance plan. The 2014 expenditures for the group life insurance plan are $977. The total life insurance expenditures are offset by $571 in contributions from retirees who are responsible for the partial or full life insurance premium cost.

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

Transit System Program

Description and Provisions

Milwaukee Transport Services, Inc. (the "Company") provides single-employer defined benefit healthcare and life insurance benefits for eligible retired employees and eligible surviving spouses. The retiree healthcare and life insurance benefits are provided pursuant to the general labor agreement between the Company and the Amalgamated Transit Union Local 998 and the Office and Professional Employees International Union Local 35. The same benefits are provided to non-represented employees and retirees.

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

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

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

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

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.

The following schedule provides the components of the Company's 2014, 2013, and 2012 OPEB costs:

Schedule of Annual OPEB Costs
For the Year Ended December 31

	2014	2013	2012
Normal Cost	$ 3,639	$ 3,325	$ 4,059
Amortization of Unfunded Actuarial Accrued Liability	11,872	12,157	13,646
Annual Required Contribution (ARC)	15,511	15,482	17,705
Interest on Net OPEB Obligation	(1)	(1)	(1)
Adjustment to the ARC	1	1	1
Annual OPEB Cost	**$ 15,511**	**$ 15,482**	**$ 17,705**

Schedule of Employer Contributions
For the Year Ended December 31

	2014	2013	2012
Premiums Paid on Behalf of Retirees	$ 12,991	$ 10,857	$ 13,841
Contribution to OPEB Trust	2,500	6,000	8,000
Less: Retiree and Survivor Contribution	(1,879)	(1,693)	(1,641)
Net Employer Contribution	**$ 13,612**	**$ 15,164**	**$ 20,200**
Percent of Annual OPEB Cost Contributed by Employer	**87.8%**	**97.9%**	**114.1%**

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

Schedule of Net OPEB Obligation
For the Year Ended December 31

	2014	2013	2012
Net OPEB Obligation (Asset) - January 1,	$ (1,955)	$ (2,273)	$ 222
Annual OPEB Cost	15,511	15,482	17,705
Less: Net Employer Contributions	(13,612)	(15,164)	(20,200)
Net OPEB Obligation (Asset) - December 31	**$ (56)**	**$ (1,955)**	**$ (2,273)**

Funded Status and Funding Progress

As of January 1, 2013, the most recent actuarial valuation date, the Company's OPEB plan is partially funded. The actuarial accrued liability for benefits is $244,148, and the actuarial value of assets is $54,606, resulting in an unfunded actuarial accrued liability (UAAL) of $189,542. The annual payroll of active employees covered by the plan is $34,926, and the ratio of UAAL to the covered payroll is 5.43 to 1.

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

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, also presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

The 2014 ARC was determined as part of the January 1, 2013 actuarial valuation using the Unit Credit Actuarial Cost Method with unfunded Actuarial Accrued liability amortized as a level percent over 30 years on an open basis. Significant actuarial assumptions used in the valuation include:

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

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
Withdrawal	Graduated rates based upon current age
Inflation Rate	3.0%

Changes in Plan Provisions or Actuarial Assumption since Prior Year: none.

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 has 1,006 retirees and survivors enrolled in the HMO and PPO healthcare plans. The 2014 expenditures for the HMO and PPO healthcare plans are $15,243. The total HMO and PPO expenditures are offset by $1,879 in retiree contributions from retirees and survivors who are responsible for the partial or full health benefit premium cost.

As of December 31, 2013, the Company has 1,006 retirees enrolled in the life insurance plan. The 2014 expenditures for the life insurance plan are $247. There are 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 ("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.

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

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 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 2014. The employee contribution ranged from 5.1% to 5.2% of compensation. In 2015, the employee contribution percentages will range from 5.0% to 5.3% 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 are required to contribute 7.0% of their wages to ERS and the State contributes the same percentage to the County for 2014.

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.

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, 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.

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, 2014 there are 13,029 participants of which 7,979 are receiving benefits. Benefits of $176,300 were paid in 2014 including periodic pension payments of $163,700 and backdrop lump sum pension payments of $12,600.

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, 2014 there are 5,224 participants with vested benefits in OBRA of which 47 are receiving benefits. The average annual benefit payment is $1,810 (one thousand eight hundred ten dollars) for 2014.

Summary of Significant Accounting Policies

GASB Statement No. 67 - The Retirement System follows the provisions of GASB 67. GASB 67 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 67 requires disclosure of information about actuarial methods and assumptions used in valuations on which reported information about the ARC and the funded status and progress are based.

Note 15 – Employee Retirement Systems and Pension Plans (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 is 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 $1,329 in 2014.

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 value falls

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

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 2014, the net investment income realized from security lending is $100.

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, 2014 are as follows:

Fair Value of Securities Loaned	$55,711
Fair Value of Collateral	$56,938
Percent Collateral to Securities Loaned	102.20%

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 $50,000 and U.S. Treasury securities, domestic stocks and REIT's of $6,938 for the year ended December 31, 2014. 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, with the unrealized

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

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, 2014.

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.

	12/31/2014
Cash Held:	
US Equity Investment Managers	$ 28,119
Cash Used to Pay Benefits and Expenses	35,535
Total Cash Held	63,654
Futures Purchased:	
S&P 500 (US Equity)	37,970
Barclays AGG (Fixed Income)	19,984
MSCI EAFE (International Equity)	8,350
Total Futures Purchased	66,304
Futures Above/(Below) Cash	$ 2,650
Market Value	$ 1,518

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

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

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 $29,057, $30,953, and $27,451 are recorded in 2014, 2013, and 2012 respectively. The 2014, 2013 and 2012 contributions are ($508), $2,683, and $2,576 (below)/above the Funding Contribution amount ("FCA"), respectively. The County contributions include contributions made by the members. Member contributions are $10,052, $8,955 and $9,041 for the years ended December 31, 2014, 2013, and 2012 respectively. The increase is caused by the increase of the employee contribution percentages from 4.4% of pensionable compensation in 2013 to 4.7% in 2014. 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 $440, $360, and $880 are recorded in 2014, 2013, and 2012, respectively. The 2014 contribution is $67 above the Funding Contribution amount ("FCA"). There are no member contributions for OBRA.

The 2014 contributions reflected in the Retirement System's financial statements are actuarially determined as of January 1, 2013. These amounts are included in the County's 2014 budget. The Retirement System's financial reports reflect the unpaid portion of the 2014 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.

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

	Actuarial Valuation Date	Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
ERS	1/1/15	2014	$ 26,267	110.6%	$ (428,575)
	1/1/14	2013	24,755	125.0%	(425,785)
	1/1/13	2012	21,135	129.7%	(419,587)

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

	Actuarial Valuation Date	Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
OBRA	1/1/15	2014	$ 577	76.3%	$ (1,057)
	1/1/14	2013	640	56.3%	(1,194)
	1/1/13	2012	660	133.3%	(1,474)

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 2014.

	ERS	OBRA
Valuation Date	1/1/15	1/1/15
Annual Required Contribution (ARC)	$ 33,758	$ 374
Interest on Net Pension Asset	(34,063)	(96)
Adjustment to ARC	26,572	299
Annual Pension Cost (APC)	$ 26,267	$ 577
Pension Contribution Made	$ 29,057	$ 440
Less Annual Pension Cost (APC)	26,267	577
Increase in Net Pension Asset	2,790	(137)
Net Pension Asset - beginning of year	425,785	1,194
Net Pension Asset - end of year	$428,575	$ 1,057

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)	(Overfunded) / Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
ERS	1/1/15	$ 1,773,638	$ 2,222,620	$ 448,982	79.8%	$ 191,433	234.5%
OBRA	1/1/15	1,560	3,184	1,924	44.8%	3,925	49.0%

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

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	1/1/2015	1/1/2015
Actuarial cost method	Individual Entry Age Normal	Individual Entry Age Normal
Amortization method	Level Percent of Payroll, Closed	Level Percent of Payroll, Closed
Remaining amortization periods	5, 10 and 30 Years	5, 10 and 30 Years
Asset valuation method	10-year Smoothed Market	Market
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 using Scale AA to 2012 then fully generational	Sex-Distinct UP-1994 Mortality Table using Scale AA to 2012 then fully generational
Mortality-disabled pensioners	RP2000 Disabled Mortality Table	-
Withdrawal	Graduated rates based upon current age, years of service, employment category	Graduated rates based upon current age
* Components of rate of return:		
Inflation	3.0%	3.0%
Real rate of return	5.0%	5.0%

2014 Changes in Plan Provisions or Actuarial Assumptions since Prior Year:

- Change to the Individual Entry Age Normal Method for ERS.
- Change to the Individual Entry Age Normal Method for OBRA.

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

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.

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.

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

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, 2014 there are 2,364 participants with vested benefits of which 1,344 are receiving benefits. Benefits of $31,352 were paid in 2014.

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. 67 - The Plan implemented provisions of GASB Statement No. 67. 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 67 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 are the related gains and losses are

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

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 2014, the Company contributed $15,808 which includes contributions made by the members. Member contributions are $4,721 for the year ended December 31, 2014.

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

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)
1/1/15	2014	$ 11,087	100.0%	$ -
1/1/14	2013	11,018	100.0%	-
1/1/13	2012	10,253	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 are $11,087, $11,018, and $10,253 for 2014, 2013, and 2012 respectively. The Annual Required Contribution for the employee portion of the Plan is $4,721, $4,635, and $3,351 for 2014, 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.

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

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	1/1/15
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	7.25%
Projected salary increases	3.75%
Post-retirement benefit increases	2.00%, simple
Mortality-healthy pensioners	RP-2014 for blue collar workers - Scale MP-2014
Mortality-disabled pensioners	RP-2014 disabled - Scale MP-2014
Withdrawal	Graduated rates based upon current age and years of service
Inflation Rate	3.0%

The Transport Employees' Pension Plan engages an independent actuarial firm to perform an annual actuarial valuation. Actuarial valuations are stated as of January 1, 2015 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)
1/1/15	$451,413	$529,729	$ 78,316	85.2%	$60,347	129.8%

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. 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. 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.

- **GASB Statement No. 72*, Fair Value Measurement and Application,*** will be effective for the County beginning the year December 31, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

- **GASB Statement No. 73*, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,*** will be effective for the County beginning the year December 31, 2016. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.

- **GASB Statement No. 74*, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,*** will be effective for the County beginning the year December 31, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

Note 16 - Pending Governmental Accounting Standards (cont.)

- **GASB Statement No. 75,** ***Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,*** will be effective for the County beginning the year December 31, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

- **GASB Statement No. 76,** ***The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,*** will be effective for the County beginning the year December 31, 2016. The objective of this is Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

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)

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 (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		1/1/15	$ 1,773,638	$ 2,222,620	$ 448,982	79.80%	$ 191,433	234.54%
		1/1/14	1,772,750	2,069,547	296,797	85.66%	188,605	157.36%
		1/1/13	1,768,505	2,025,319	256,814	87.32%	189,132	135.79%
		1/1/12	1,836,543	2,059,554	223,011	89.17%	190,748	116.91%
		1/1/11	1,929,428	2,091,927	162,499	92.23%	221,647	73.31%
		1/1/10	1,956,444	2,097,332	140,888	93.28%	237,040	59.44%
	*	1/1/09	1,968,518	2,057,377	88,859	95.68%	233,820	38.00%
		1/1/08	1,627,288	2,024,923	397,635	80.36%	227,364	174.89%
		1/1/07	1,525,532	1,931,220	405,688	78.99%	223,005	181.92%
		1/1/06	1,454,302	1,909,321	455,019	76.17%	225,722	201.58%
OBRA		1/1/15	$ 1,560	$ 3,484	$ 1,924	44.78%	$ 3,925	49.02%
		1/1/14	1,603	3,411	1,808	47.00%	3,478	51.98%
		1/1/13	1,662	2,869	1,207	57.93%	7,736	15.60%
		1/1/12	1,236	2,444	1,208	50.57%	8,939	13.51%
		1/1/11	1,402	5,520	4,118	25.40%	8,936	46.08%
		1/1/10	1,039	5,069	4,030	20.50%	6,901	58.40%
		1/1/09	860	4,452	3,592	19.32%	8,498	42.27%
		1/1/08	1,355	4,077	2,722	33.24%	8,284	32.86%
		1/1/07	1,261	3,843	2,582	32.81%	7,057	36.59%
		1/1/06	1,090	3,530	2,440	30.88%	8,353	29.21%

* 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 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, the stronger the Retirement System is.

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

		Fiscal Year	Annual Required Contribution (ARC)	Employees Contribution	County Contribution	Percentage of ARC Contributed
ERS		2014	$ 33,758	$ 10,052	$ 19,005	86.1%
		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%
OBRA		2014	$ 374	$ -	$ 440	117.6%
		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%

* 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 (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)
County-wide Program	1/1/2014	$ -	$ 973,014	$ 973,014	0.0%	$ 94,000	1035.1%
	1/1/2012	-	1,134,995	1,134,995	0.0%	87,908	1291.1%
	1/1/2010	-	1,465,159	1,465,159	0.0%	97,620	1500.9%
	1/1/2008	-	1,546,458	1,546,458	0.0%	118,977	1299.8%
	1/1/2006	-	1,313,632	1,313,632	0.0%	99,327	1322.5%
Transit System Program	1/1/2014	$ 54,606	$ 244,148	$ 189,542	22.4%	$ 34,926	542.7%
	1/1/2013	47,024	241,115	194,091	19.5%	41,624	466.3%
	1/1/2012	34,603	245,991	211,388	14.1%	46,695	452.7%
	1/1/2011	24,840	243,077	218,237	10.2%	50,958	428.3%
	1/1/2010	19,676	209,963	190,287	9.4%	57,356	331.8%
	1/1/2009	12,678	201,686	189,008	6.3%	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
County-Wide Program	2014	$ 70,639	$ 48,647	68.9%
	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%
Transit System Program	2014	$ 15,511	$ 13,612	87.8%
	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 (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Transit System	1/1/15	$ 451,413	$ 529,729	85.2%	$ 78,316	$ 60,347	129.8%
	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%

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
Transit System	2014	$ 11,087	$ 11,087	100.00%
	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%

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

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, 2014
(In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	$ 223,448	$ 232,356	$ 226,512	$ (5,844)
Property Taxes	282,721	282,721	284,462	1,741
Sales Taxes	57,056	57,055	60,315	3,260
Charges for Services	416,988	416,833	413,692	(3,141)
Fines and Forfeits	3,146	3,146	1,680	(1,466)
Licenses and Permits	629	629	782	153
Investment Income	1,906	1,921	203	(1,718)
Other	11,792	31,777	30,581	(1,196)
Total Revenues	997,686	1,026,438	1,018,227	(8,211)
Expenditures:				
Current:				
County Board	3,296	3,322	3,062	260
Veterans Service	308	298	268	30
County Executive Government Affairs	378	400	376	24
Community Development Business Partners	916	1,033	943	90
Procurement	843	911	839	72
Labor Relations	(11)	(6)	(11)	5
Office for Persons with Disabilities	1,030	1,090	987	103
County Executive	1,189	1,221	985	236
Civil Service Commission	14	35	37	(2)
Personnel Review Board	230	239	236	3
Corporation Counsel	1,272	1,457	1,075	382
Department of Human Resources	5,617	5,836	5,717	119
Department of Administrative Services	1,147	1,199	1,059	140
Economic & Community Development	2,108	2,984	2,511	473
Other Executive and Staff	622	2,568	2,212	356
Legislative, Executive and Staff	18,959	22,587	20,296	2,291
County-funded State Court Services	32,047	33,875	32,144	1,731
Child Support Enforcement	16,485	17,180	15,107	2,073
Alternatives to Incarceration	4,240	5,022	4,824	198
Courts and Judiciary	52,772	56,077	52,075	4,002
Election Commission	915	977	933	44
County Treasurer	1,494	2,521	2,185	336
County Clerk	1,127	1,131	1,061	70
Register of Deeds	3,642	3,703	3,317	386
Office of the Comptroller	6,260	6,321	5,935	386
General Governmental Services	13,438	14,653	13,431	1,222

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, 2014
(In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Sheriff	$ 63,527	$ 67,674	$ 68,368	$ (694)
House of Correction	59,473	59,435	56,953	2,482
District Attorney	15,328	16,235	15,352	883
Medical Examiner	4,086	4,279	3,928	351
Other Public Safety	472	472	472	-
Public Safety	142,886	148,095	145,073	3,022
Highway Maintenance	13,902	15,742	14,588	1,154
Fleet / Facilities Services	39,784	41,844	40,755	1,089
Administration	(223)	(182)	(196)	14
Other Public Works and Highways	10	10	-	10
Public Works and Highways	53,473	57,414	55,147	2,267
Department on Aging	16,670	17,311	16,431	880
Family Care	282,908	290,404	289,181	1,223
DHHS - Behavioral Health Division	75,794	180,384	170,909	9,475
Department of Human Services	184,919	91,009	80,890	10,119
Human Services	560,291	579,108	557,411	21,697
Department of Parks	36,016	38,358	37,126	1,232
Zoological Department	22,914	23,435	21,207	2,228
UW Extension Service	500	502	436	66
Other Cultural Organizations	704	706	706	-
Parks, Recreation and Culture	60,134	63,001	59,475	3,526
Total Expenditures	901,953	940,935	902,908	38,027
Excess (Deficiency) of Revenues Over (Under) Expenditures	95,733	85,503	115,319	29,816
Other Financing Sources (Uses):				
General Obligation Bonds Issued	10	188	-	(188)
Proceeds from Capital Leases	1	508	324	(184)
Transfers In	1,304	1,304	19,140	17,836
Transfers Out	(95,667)	(86,122)	(134,333)	(48,211)
Transfers To Component Units	(6,381)	(6,381)	(6,381)	-
Total Other Financing Sources (Uses)	(100,733)	(90,503)	(121,250)	(30,747)
Net Change in Fund Balance	(5,000)	(5,000)	(5,931)	(931)
Fund Balances -- Beginning	75,062	75,062	75,062	-
Fund Balances -- Ending	$ 70,062	$ 70,062	$ 69,131	$ (931)

COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2014
(In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental Revenue	$ 1,741	$ 1,741	$ 1,769	$ 28
Other	7,765	7,765	8,387	622
Total Revenues	9,506	9,506	10,156	650
Expenditures:				
Debt Service:				
Principal Retired	75,956	75,956	69,942	6,014
Interest and Other Charges	20,905	20,905	22,704	(1,799)
Total Expenditures	96,861	96,861	92,646	4,215
Excess (Deficiency) of Revenues Over (Under) Expenditures	(87,355)	(87,355)	(82,490)	4,865
Other Financing Sources (Uses):				
General Obligation Bonds Issued	-	-	1,320	1,320
Premium on Debt Issued	-	-	1,106	1,106
Transfers In	75,255	75,255	85,338	10,083
Total Other Financing Sources (Uses)	75,255	75,255	87,764	12,509
Net Change in Fund Balance	(12,100)	(12,100)	5,274	17,374
Fund Balances - Beginning	34,964	34,964	34,964	-
Fund Balances - Ending	$ 22,864	$ 22,864	$ 40,238	$ 17,374

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, 2014
(In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	$ 6,506	$ 3,890	$ 2,624	$ (1,266)
Sales Tax	9,437	9,437	7,511	(1,926)
Licenses and Permits	-	150	150	-
Investment Income	-	(3)	252	255
Other	4,300	778	484	(294)
Total Revenues	20,243	14,252	11,021	(3,231)
Expenditures:				
Capital Outlay	58,378	83,956	80,986	2,970
Total Expenditures	58,378	83,956	80,986	2,970
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,135)	(69,704)	(69,965)	(261)
Other Financing Sources (Uses):				
General Obligation Bonds Issued	37,466	37,898	37,889	(9)
Proceeds from Sale of Capital Assets	156	12,796	12,696	(100)
Insurance Recoveries	-	2,046	2,046	-
Transfers In	-	16,451	7,486	(8,965)
Transfers Out	-	-	(1,828)	(1,828)
Total Other Financing Sources (Uses)	37,622	69,191	58,289	(10,902)
Net Change in Fund Balance	(513)	(513)	(11,676)	(11,163)
Fund Balances - Beginning	48,276	48,276	48,276	-
Fund Balances - Ending	$ 47,763	$ 47,763	$ 36,600	$ (11,163)

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, 2014
(In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operating Revenues:				
Rentals and Other Service Fees	$ 72,553	$ 74,749	$ 70,056	$ (4,693)
Admissions and Concessions	15,326	15,326	16,500	1,174
Total Charges for Services	87,879	90,075	86,556	(3,519)
Other Revenues	5	5	4	(1)
Total Operating Revenues	87,884	90,080	86,560	(3,520)
Operating Expenses:				
Personnel Services	26,516	26,516	23,804	2,712
Contractual Services	21,477	22,690	23,295	(605)
Intra-County Services	10,172	10,368	9,911	457
Commodities	4,849	4,907	4,866	41
Depreciation and Amortization	18,810	18,810	27,534	(8,724)
Maintenance	656	1,138	1,729	(591)
Other	6	6	2	4
Total Operating Expenses	82,486	84,435	91,141	(6,706)
Operating Income (Loss)	5,398	5,645	(4,581)	(10,226)
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	175	175	193	18
Investment Income	400	400	729	329
Interest Expense	(8,712)	(8,959)	(11,106)	(2,147)
Total Nonoperating Revenues (Expenses)	(8,137)	(8,384)	(10,184)	(1,800)
Income (Loss) Before Transfers	(2,739)	(2,739)	(14,765)	(12,026)
Add Depreciation on Capital Assets Acquired by Capital Grants that Reduces Contributed Capital From Capital Grants	7,500	7,853	59,317	51,464
Transfers In	-	-	4,643	4,643
Transfers Out	(4,761)	(5,114)	(2,511)	2,603
Change in Net Position	$ -	$ -	$ 46,684	$ 46,684

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, 2014
(In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operating Revenues:				
Rentals and Other Service Fees	$ 25	$ 25	$ -	$ (25)
Transit Fares	46,176	46,176	43,352	(2,824)
Total Charges for Services	46,201	46,201	43,352	(2,849)
Other Revenues	3,665	3,665	4,438	773
Total Operating Revenues	49,866	49,866	47,790	(2,076)
Operating Expenses:				
Personnel Services	112,385	115,902	108,337	7,565
Contractual Services	21,733	21,733	21,574	159
Intra-County Services	1,315	1,315	1,229	86
Commodities	17,467	17,467	18,829	(1,362)
Depreciation and Amortization	11,698	11,698	14,188	(2,490)
Maintenance	460	959	908	51
Other	2,620	2,620	1,201	1,419
Total Operating Expenses	167,678	171,694	166,266	5,428
Operating Income (Loss)	(117,812)	(121,828)	(118,476)	3,352
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	91,122	95,004	91,587	(3,417)
Interest Expense	(1,102)	(1,102)	(802)	300
Total Nonoperating Revenues (Expenses)	90,020	93,902	90,785	(3,117)
Income (Loss) Before Transfers	(27,792)	(27,926)	(27,691)	235
Add Depreciation on Capital Assets Acquired by Capital Grants that Reduces Contributed Capital From Capital Grants	9,273	11,614	11,797	183
Transfers In	18,519	18,652	29,945	11,293
Transfers Out	-	(2,340)	(13,796)	(11,456)
Change in Net Position	$ -	$ -	$ 255	$ 255

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, 2014
(In Thousands)

	Special Revenue Funds							
	Zoo	Parks	Persons with Disabilities	Behavioral Health Division	Airport	Administrative Services	Public Works	Total Nonmajor Governmental Funds
ASSETS								
Cash and Investments	$1,213	$ 1,663	$ 99	$ 9,372	$ -	$ 7,016	$ 9,851	$ 29,214
Cash and Investments - Restricted	-	-	-	-	27,556	-	-	27,556
Total Assets	$1,213	$ 1,663	$ 99	$ 9,372	$ 27,556	$ 7,016	$ 9,851	$ 56,770
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	$ 95	$ 131	$ -	$ -	$ 158	$ -	$ -	$ 384
Total Liabilities	95	131	-	-	158	-	-	384
Fund Balances:								
Restricted	1,118	1,532	99	9,372	27,398	7,016	9,851	56,386
Total Fund Balances	1,118	1,532	99	9,372	27,398	7,016	9,851	56,386
Total Liabilities and Fund Balances	$1,213	$ 1,663	$ 99	$ 9,372	$ 27,556	$ 7,016	$ 9,851	$ 56,770

COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

(In Thousands)

	Special Revenue Funds							
	Zoo	Parks	Persons with Disabilities	Behavioral Health Division	Airport	Administrative Services	Public Works	Total Nonmajor Governmental Funds
Revenues:								
Charges for Services	$ 714	$ 96	$ -	$ 2,127	$ 13,315	$ -	$ -	$ 16,252
Investment Income and Rents	28	1	-	-	293	-	-	322
Other	70	194	-	-	-	-	-	264
Total Revenues	812	291	-	2,127	13,608	-	-	16,838
Expenditures:								
Current:								
Public Works and Highways	-	-	-	-	12,562	-	341	12,903
Human Services	-	-	2	1,836	-	-	-	1,838
Parks, Recreation and Culture	646	3	-	-	-	-	-	649
Total Expenditures	646	3	2	1,836	12,562	-	341	15,390
Excess (Deficiency) of Revenues Over (Under) Expenditures	166	288	(2)	291	1,046	-	(341)	1,448
Other Financing Sources (Uses)								
Transfers In	2	4	-	-	-	-	-	6
Transfers Out	-	-	-	(1)	-	-	-	(1)
Total Other Financing Sources (Uses)	2	4	-	(1)	-	-	-	5
Net Changes in Fund Balance	168	292	(2)	290	1,046	-	(341)	1,453
Fund Balances -- Beginning	950	1,240	101	9,082	26,352	7,016	10,192	54,933
Fund Balances -- Ending	$1,118	$ 1,532	$ 99	$ 9,372	$ 27,398	$ 7,016	$ 9,851	$ 56,386

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, 2014
(In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
Assets				
Current Assets:				
Cash and Investments	$ 7,308	$ (570)	$ 21,114	$ 27,852
Accounts Receivable (Net of Allowances for Uncollectible Accounts)	1	1,657	-	1,658
Due From Other Governments	71	-	-	71
Total Current Assets	7,380	1,087	21,114	29,581
Capital Assets:				
Construction in Progress	7,429	373	-	7,802
Land Improvements	-	3,148	-	3,148
Building and Improvements	1,523	5,159	-	6,682
Furniture, Machinery and Equipment	23,821	1,646	10	25,477
Total Capital Assets	32,773	10,326	10	43,109
Less Accumulated Depreciation	(21,354)	(5,486)	(7)	(26,847)
Net Capital Assets	11,419	4,840	3	16,262
Total Assets	18,799	5,927	21,117	45,843
Deferred Outflows of Resources				
Unamortized Loss on Refunding of Debt	93	-	-	93
Total Deferred Outflows of Resources	93	-	-	93
Total Assets and Deferred Outflows of Resources	$ 18,892	$ 5,927	$ 21,117	$ 45,936
Liabilities				
Current Liabilities:				
Accounts Payable	$ 597	$ 185	$ 803	$ 1,585
Accrued Liabilities	148	-	12	160
Accrued Interest	104	63	-	167
Bonds and Notes Payable - General Obligation	1,795	289	-	2,084
Compensated Absenses	421	-	49	470
Risk Claims	-	-	10,681	10,681
Total Current Liabilities	3,065	537	11,545	15,147
Long-Term Liabilities:				
Bonds and Notes Payable - General Obligation	10,490	4,183	-	14,673
Compensated Absences	506	-	21	527
Risk Claims	-	-	8,782	8,782
Other Post Employment Benefits	4,671	-	703	5,374
Total Long-Term Liabilities	15,667	4,183	9,506	29,356
Total Liabilities	18,732	4,720	21,051	44,503
Net Position				
Net Investment in Capital Assets	(773)	368	3	(402)
Restricted for:				
Commitments	933	314	63	1,310
Unrestricted	-	525	-	525
Total Net Position	160	1,207	66	1,433
Total Liabilities and Net Position	$ 18,892	$ 5,927	$ 21,117	$ 45,936

COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For The Year Ended December 31, 2014
(In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
Operating Revenues:				
Charges for Services	$ 13,661	$ 2,626	$ 8,851	$ 25,138
Other	5	-	39	44
Total Operating Revenues	13,666	2,626	8,890	25,182
Operating Expenses:				
Personnel Services	6,030	-	751	6,781
Contractual Services	7,077	832	83	7,992
Intra-County Services	96	893	191	1,180
Commodities	308	4	8	320
Depreciation and Amortization	887	560	-	1,447
Maintenance	(20)	220	-	200
Insurance and Claims	-	-	11,325	11,325
Other	-	1,302	-	1,302
Total Operating Expenses	14,378	3,811	12,358	30,547
Operating Income (Loss)	(712)	(1,185)	(3,468)	(5,365)
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	1,152	-	-	1,152
Interest Expense	(153)	(210)	-	(363)
Total Nonoperating Revenues (Expenses)	999	(210)	-	789
Income (Loss) Before Transfers	287	(1,395)	(3,468)	(4,576)
Capital Contributions	1,676	115	-	1,791
Transfers In	2,192	1,413	3,310	6,915
Transfers Out	(1,004)	-	-	(1,004)
Change in Net Position	3,151	133	(158)	3,126
Net Position (Deficit) -- Beginning	(2,991)	1,074	224	(1,693)
Net Position -- Ending	$ 160	$ 1,207	$ 66	$ 1,433

COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2014
(In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
Cash Flows Provided (Used) by Operating Activities:				
Receipts from Customers and Users	$ 5	$ 1,909	$ 1,104	$ 3,018
Receipts from Interfund Services	13,824	246	9,866	23,936
Payments to Suppliers	(7,347)	(2,304)	(12,162)	(21,813)
Payments to Employees	(5,659)	-	(782)	(6,441)
Payments for Interfund Services Used	(96)	(893)	(191)	(1,180)
Net Cash Flows Provided (Used) by Operating Activities	727	(1,042)	(2,165)	(2,480)
Cash Flows Provided (Used) by Noncapital Financing Activities:				
Intergovernmental Revenues	1,152	-	-	1,152
Contributed Capital from Other Funds	-	(58)	-	(58)
Transfers From Other Funds	2,192	1,413	3,310	6,915
Transfers (To) Other Funds	(1,004)	-	-	(1,004)
Net Cash Flows Provided (Used) by Noncapital Financing Activities	2,340	1,355	3,310	7,005
Cash Flows Provided (Used) by Capital and Related Financing Activities:				
Capital Contributions	1,676	115	-	1,791
Proceeds from Long-Term Debt	159	-	-	159
Principal Payment on Long-Term Debt	(2,305)	(235)	-	(2,540)
Issuance Expenses	(91)	-	-	(91)
Interest Paid on Long-Term Debt	(214)	(211)	-	(425)
Acquisition of Capital Assets	(1,945)	(242)	(3)	(2,190)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	(2,720)	(573)	(3)	(3,296)
Net Increase (Decrease) in Cash and Cash Equivalents	347	(260)	1,142	1,229
Cash and Cash Equivalents at Beginning of Year	6,961	(310)	19,972	26,623
Cash and Cash Equivalents at End of Year	$ 7,308	$ (570)	$ 21,114	$ 27,852
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
None	$ -	$ -	$ -	$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	$ (712)	$ (1,185)	$ (3,468)	$ (5,365)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Depreciation and Amortization	887	560	-	1,447
(Increase) Decrease in Assets:				
Accounts Receivable	-	(471)	565	94
Due from Other Governments	(63)	-	-	(63)
Prepaid Items	163	-	-	163
Increase (Decrease) in Liabilities:				
Accounts Payable	81	54	(746)	(611)
Accrued Liabilities	39	-	2	41
Risk Claims	-	-	1,515	1,515
Other Post Retirement Benefits	377	-	69	446
Compensated Absences	(45)	-	(102)	(147)
Total Adjustments	1,439	143	1,303	2,885
Net Cash Flows Provided (Used) by Operating Activities	$ 727	$ (1,042)	$ (2,165)	$ (2,480)

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, 2014
(In Thousands)

	January 1, 2014	Additions	Deductions	December 31, 2014
CIVIL COURT ORDERED AGENCY FUND FOR FAMILY SUPPORT/PAYMENTS				
Cash and Investments	$ 8,028	$ 70,985	$ 70,191	$ 8,822
Other Receivables	1	71,390	71,391	-
Total Assets	$ 8,029	$ 142,375	$ 141,582	$ 8,822
Accounts Payable	$ -	$ 59	$ 18	$ 41
Agency Deposits	8,029	52,349	51,597	8,781
Total Liabilities	$ 8,029	$ 52,408	$ 51,615	$ 8,822
OTHER AGENCY FUNDS				
Cash and Investments	$ 7,637	$ 173,213	$ 174,415	$ 6,435
Other Receivables	1,527	2,373	2,128	1,772
Total Assets	$ 9,164	$ 175,586	$ 176,543	$ 8,207
Accounts Payable	$ 204	$ 3,399	$ 3,215	$ 388
Agency Deposits	8,960	45,079	46,220	7,819
Total Liabilities	$ 9,164	$ 48,478	$ 49,435	$ 8,207
SUMMARY				
Cash and Investments	$ 15,665	$ 244,198	$ 244,606	$ 15,257
Other Receivables	1,528	73,763	73,519	1,772
Total Assets	$ 17,193	$ 317,961	$ 318,125	$ 17,029
Accounts Payable	$ 204	$ 3,458	$ 3,233	$ 429
Agency Deposits	16,989	97,428	97,817	16,600
Total Liabilities	$ 17,193	$ 100,886	$ 101,050	$ 17,029

OTHER SUPPLEMENTARY INFORMATION
Milwaukee County Family Care Fund

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 Fund
As of December 31, 2014 and 2013
(In Thousands)

	2014	2013
Assets		
Cash	$ 43,859	$ 51,549
Restricted Cash	11,470	11,458
Due from State - Prior Year Capitation	1,511	1,297
Member Receivable - Cost Share/Room & Board	2,176	2,202
Allowance for Member Receivable	(1,373)	(1,354)
Provider Receivable - Audits	116	209
Deposit Solvency Insurance	750	750
Security deposits	2	2
Inventory - Taxi Tickets	23	61
Accounts Receivable - Other	164	138
Total Assets	$ 58,698	$ 66,312
Liabilities		
Accounts Payable	$ 2,854	$ 3,871
Accrued Payroll	153	107
Accrued Vacation/Sick Leave Liability	537	605
Member Cost - Incurred but not Reported	22,393	25,624
Due to State - Unearned Capitation	1,070	748
Total Liabilities	27,007	30,955
Net Position		
Restricted:		
Working Capital Reserve	7,850	7,842
Restricted Reserve	3,620	3,616
Solvency & Risk Reserve	750	750
Unrestricted:		
Surplus Reserve	18,997	22,646
Capital Carryover Reserve	474	503
Total Net Position	31,691	35,357
Total Liabilities and Net Position	$ 58,698	$ 66,312

COUNTY OF MILWAUKEE, WISCONSIN

Statements of Revenues, Expenses and Changes in Net Position
Milwaukee County Family Care Fund
For the Years Ended December 31, 2014 and 2013
(In Thousands)

	2014	2013
Operating Revenues:		
State/Fed Capitated Member Payment	$ 250,477	$ 258,262
Member Cost Share/ Room & Board	33,654	31,736
Other Revenues	1,265	1,300
Total Operating Revenues	285,396	291,298
Operating Expenses:		
Direct - Member Service Costs	276,404	270,835
Indirect - Salaries and Fringe Benefits	6,289	6,294
Indirect - Outside Services	4,789	4,993
Indirect - Commondities and Supplies	121	230
Indirect - Inter-Dept Service Charges	1,459	1,343
Total Operating Expenses	289,062	283,695
Change in Net Position	(3,666)	7,603
Net Position -- Beginning	35,357	27,754
Net Position -- Ending	$ 31,691	$ 35,357

COUNTY OF MILWAUKEE, WISCONSIN

Statements of Cash Flows
Milwaukee County Family Care Fund
For the Years Ended December 31, 2014 and 2013
(In Thousands)

	2014	2013
Cash Flows Provided (Used) by Operating Activities:		
Receipts from Customers and Users	$ 285,294	$ 292,651
Payments to Suppliers	(285,202)	(274,675)
Payments to Employees	(6,311)	(6,267)
Payments for Interfund Services Used	(1,459)	(1,343)
Net Cash Flows Provided (Used) by Operating Activities	(7,678)	10,366
Net Increase (Decrease) in Cash and Cash Equivalents	(7,678)	10,366
Cash and Cash Equivalents at Beginning of Year	63,007	52,641
Cash and Cash Equivalents at End of Year	$ 55,329	$ 63,007
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ -	$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	$ (3,666)	$ 7,603
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:		
(Increase) Decrease in Assets:		
Due from State - Prior Year Capitation	(214)	1,249
Member Receivable - Cost Share/Room & Board	26	12
Allowance for Member Receivable	19	131
Provider Receivable - Audits	93	41
Deposit Solvency Insurance	-	(750)
Security deposits	-	2
Inventory - Taxi Tickets	38	(42)
Accounts Receivable - Other	(26)	(80)
Increase (Decrease) in Liabilities:		
Accounts Payable	(1,017)	1,286
Accrued Payroll	46	24
Accrued Vacation/Sick Leave Liability	(68)	3
Member Cost - Incurred but not Reported	(3,231)	1,361
Due to State - Unearned Capitation	322	(474)
Total Adjustments	(4,012)	2,763
Net Cash Flows Provided (Used) by Operating Activities	$ (7,678)	$ 10,366

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)

	2014	2013 (a)	2012 (b)	2011	2010	2009 (c)	2008	2007 (d)	2006	2005
Governmental Activities:										
Net Investment in Capital Assets	$ 396,649	$ 372,792	$ 322,247	$ 293,406	$ 269,272	$ 198,007	$ 222,474	$ 207,437	$ 215,539	$ 239,957
Restricted For:										
Debt	40,238	34,964	27,063	11,577	7,332	6,220	10,757	6,071	3,594	2,415
Commitments	68,029	54,731	41,742	19,068	-	-	-	-	-	-
Department of Family Care	35,358	35,357	27,754	25,092	12,182	10,012	6,142	5,779	-	-
Delinquent Property Tax	14,072	14,797	15,275	14,826	-	-	-	-	-	-
Airport - PFC and Debt	27,398	26,352	29,369	27,199	26,921	22,179	34,082	32,603	34,128	34,155
Behavioral Health Division (BHD) (a & d)	17,855	9,082	9,986	7,169	8,360	8,978	9,344	9,671	-	-
Fleet and Facilities Divisions (b & c)	9,851	10,192	10,270	5,781	6,183	6,499	-	-	-	-
Other	19,950	24,034	21,247	10,918	1,898	1,909	2,021	1,676	1,872	1,845
Unrestricted	(316,659)	(321,623)	(316,075)	(241,327)	(193,380)	(122,177)	(151,947)	(77,848)	(16,122)	(44,305)
Subtotal Governmental Activities Net Position	**312,741**	**260,678**	**188,878**	**173,709**	**138,768**	**131,627**	**132,873**	**185,389**	**239,011**	**234,067**
Business-type Activities:										
Net Investment in Capital Assets	345,437	299,463	270,351	242,984	206,417	178,590	177,253	182,931	194,022	174,016
Restricted For:										
Debt	19,044	17,680	15,288	15,161	14,836	14,253	14,000	13,049	12,061	10,328
Commitments	4,432	2,769	3,619	-	-	-	-	-	-	-
Capital Asset Needs	16,357	14,004	10,450	8,039	5,057	5,113	5,115	5,121	4,120	3,414
Unrestricted	433	492	876	5,104	9,924	5,256	2,777	2,496	5,424	25,999
Subtotal Business-type Activities Net Position	**385,703**	**334,408**	**300,584**	**271,288**	**236,234**	**203,212**	**199,145**	**203,597**	**215,627**	**213,757**

COUNTY OF MILWAUKEE, WISCONSIN

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

	2014	2013 (a)	2012 (b)	2011	2010	2009 (c)	2008	2007 (d)	2006	2005
Primary Government :										
Net Investment in Capital Assets	$ 742,086	$ 672,255	$ 592,598	$ 536,390	$ 475,689	$ 376,597	$ 399,727	$ 390,368	$ 409,561	$ 413,973
Restricted For:										
Debt	59,282	52,644	42,351	26,738	22,168	20,473	24,757	19,120	15,655	12,743
Commitments	72,461	57,500	45,361	19,068	-	-	-	-	-	-
Department of Family Care	35,358	35,357	27,754	25,092	12,182	10,012	6,142	5,779	-	-
Delinquent Property Tax	14,072	14,797	15,275	14,826	-	-	-	-	-	-
Airport - PFC and Debt	27,398	26,352	29,369	27,199	26,921	22,179	34,082	32,603	34,128	34,155
Behavioral Health Division (BHD) (a & d)	17,855	9,082	9,986	7,169	8,360	8,978	9,344	9,671	-	-
Fleet and Facilities Divisions (b & c)	9,851	10,192	10,270	5,781	6,183	6,499	-	-	-	-
Capital Asset Needs	16,357	14,004	10,450	8,039	5,057	5,113	5,115	5,121	4,120	3,414
Other	19,950	24,034	21,247	10,918	1,898	1,909	2,021	1,676	1,872	1,845
Unrestricted	(316,226)	(321,131)	(315,199)	(236,223)	(183,456)	(116,921)	(149,170)	(75,352)	(10,698)	(18,306)
Total Primary Government Activities Net Position	**$ 698,444**	**$ 595,086**	**$ 489,462**	**$ 444,997**	**$ 375,002**	**$ 334,839**	**$ 332,018**	**$ 388,986**	**$ 454,638**	**$ 447,824**

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.

(a) In 2013, Wisconsin Act 203 created the Mental Health Board. BHD surplus is now restricted. A new capital reserve was also created.
(b) In 2012, the County began reporting the activities of its Public Works - Professional Services as part of the General Fund. Prior to 2012, it had been reported as part of the Internal Service Funds.
(c) 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.
(d) 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)

	2014	2013 (a)	2012 (b)	2011	2010	2009 (c)	2008	2007 (d)	2006	2005
Expenses (by Function):										
Governmental Activities:										
Legislative, Executive and Staff	$ 46,266	$ 49,832	$ 56,232	$ 51,886	$ 51,340	$ 52,144	$ 54,395	$ 70,318	$ 65,242	$ 70,546
Courts and Judiciary	51,904	50,502	56,516	53,132	57,121	63,839	67,435	64,486	58,432	56,517
General Governmental Services	12,980	12,165	10,969	6,668	4,077	7,991	8,912	8,545	9,884	8,152
Public Safety	143,774	147,637	156,162	162,316	164,447	148,192	180,186	178,063	146,410	138,885
Public Works and Highways (b & c)	104,079	79,849	90,974	89,559	66,641	93,756	81,522	80,433	64,445	88,133
Human Services (a & d)	551,239	556,149	563,378	597,078	616,717	648,296	675,169	637,120	398,245	363,558
Parks, Recreation and Culture	76,644	76,960	80,553	79,709	77,221	83,520	85,321	81,779	72,361	69,150
Other	-	-	-	-	-	-	-	6,996	14,587	19,222
Interest on Long-Term Debt	23,294	34,545	35,503	29,448	39,472	35,361	16,351	15,964	16,520	17,497
Total Governmental Activities Expenses	1,010,180	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
Business-type Activities:										
Airport	98,006	89,720	87,901	90,183	82,692	74,305	77,432	68,401	64,254	58,894
DHHS - Behavioral Health (a & d)	-	-	-	-	-	-	-	-	171,064	157,233
Transit	166,953	163,844	169,061	175,880	174,960	178,208	174,725	169,557	163,619	157,623
Total Business-type Activities Expenses	264,959	253,564	256,962	266,063	257,652	252,513	252,157	237,958	398,937	373,750
Total Primary Government Expenses	1,275,139	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
Program Revenues (by Function):										
Governmental Activities:										
Charges for Services:										
Legislative, Executive and Staff	3,750	3,270	4,048	198	1,786	5,811	4,806	10,153	8,839	10,494
Courts and Judiciary	3,666	3,923	3,994	4,431	4,622	4,758	6,209	4,854	3,597	3,527
General Governmental Services	4,791	5,377	5,407	4,571	4,243	4,782	5,181	5,785	6,314	7,144
Public Safety	9,598	11,698	10,153	9,986	9,992	10,500	11,337	6,494	5,233	3,938
Public Works and Highways (b & c)	30,261	27,931	25,216	30,260	29,537	27,746	27,321	32,106	25,707	29,524
Human Services (a & d)	354,424	359,331	343,742	347,018	328,101	286,763	319,912	286,465	179,628	163,613
Parks, Recreation and Culture	32,619	33,007	32,304	29,491	31,381	31,726	33,104	26,543	26,607	25,640
Operating Grants and Contributions:										
Legislative, Executive and Staff	1,183	921	1,394	3,635	1,530	355	4,839	19,513	19,125	19,733
Courts and Judiciary	24,889	23,398	24,084	23,212	26,626	22,063	21,595	24,857	24,249	23,272
General Governmental Services	88	70	53	50	43	79	247	82	121	100
Public Safety	14,056	14,325	15,941	18,543	18,015	17,967	21,766	19,148	19,906	19,133
Public Works and Highways (b & c)	19,141	18,346	18,859	37,853	17,526	16,913	17,280	23,170	24,976	37,612
Human Services (a & d)	133,066	133,770	131,452	169,911	202,219	261,271	259,845	252,592	182,859	169,708
Parks, Recreation and Culture	248	218	316	2,105	1,382	680	4,001	1,272	1,368	1,227

COUNTY OF MILWAUKEE, WISCONSIN

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

	2014	2013 (a)	2012 (b)	2011	2010	2009 (c)	2008	2007 (d)	2006	2005
Program Revenues (by Function) (cont.)										
Governmental Activities (cont):										
Capital Grants and Contributions:										
Legislative, Executive and Staff	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,164	$ 1,046	$ -	$ 3,484
Courts and Judiciary	-	-	-	-	-	-	-	-	-	-
General Governmental Services	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works and Highways (b & c)	2,085	2,157	-	71	160	30,638	5,231	2,183	-	(74)
Human Services (a & d)	-	-	-	-	-	-	-	-	-	-
Parks, Recreation and Culture	505	1,822	-	-	-	2,074	-	-	-	-
Total Governmental Activities - Program Revenues	634,370	639,564	616,963	681,335	677,163	724,126	743,838	716,263	528,529	518,075
Business-type Activities:										
Charges for Services:										
Airport	86,560	85,520	83,306	87,254	79,644	70,997	74,221	64,559	61,744	55,599
DHHS - Behavioral Health (a & d)	-	-	-	-	-	-	-	-	62,873	59,870
Transit	47,790	48,867	50,521	56,606	57,624	55,424	56,501	52,443	53,936	47,757
Operating Grants and Contributions:										
Airport	193	235	579	159	309	179	-	35	216	312
DHHS - Behavioral Health (a & d)	-	-	-	-	-	-	-	-	69,135	61,136
Transit	91,587	88,107	91,776	89,670	89,186	89,931	88,522	82,513	79,162	79,133
Capital Grants and Contributions:										
Airport	59,317	15,171	23,037	35,767	25,284	23,119	10,354	8,124	8,445	7,371
DHHS - Behavioral Health (a & d)	-	-	-	-	-	-	-	-	45	(826)
Transit	11,797	22,191	24,450	15,816	24,205	(5,536)	569	1,408	1,758	582
Total Business-type Activities - Program Revenues	297,244	260,091	273,669	285,272	276,252	234,114	230,167	209,082	337,314	310,934
Total Primary Government - Program Revenues	931,614	899,655	890,632	966,607	953,415	958,240	974,005	925,345	865,843	829,009
Net (Expense)/ Revenue:										
Governmental Activities	(375,810)	(368,075)	(433,324)	(388,461)	(399,873)	(408,973)	(425,453)	(427,441)	(317,597)	(313,585)
Business-type Activities	32,285	6,527	16,707	19,209	18,600	(18,399)	(21,990)	(28,876)	(61,623)	(62,816)
Total Primary Net (Expense) / Revenue	(343,525)	(361,548)	(416,617)	(369,252)	(381,273)	(427,372)	(447,443)	(456,317)	(379,220)	(376,401)

COUNTY OF MILWAUKEE, WISCONSIN

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

	2014	2013 (a)	2012 (b)	2011	2010	2009 (c)	2008	2007 (d)	2006	2005
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes										
Property Taxes	$ 284,461	$ 283,631	$ 279,179	$ 273,297	$ 266,973	$ 260,724	$ 251,495	$ 243,144	$ 234,317	$ 228,628
Sales Taxes	67,826	65,488	64,740	64,348	61,534	59,258	67,112	63,613	63,654	62,673
Intergovernmental Revenues Not Related to Specific Programs	36,797	34,443	44,402	45,238	44,952	46,056	39,734	42,387	41,332	40,242
Investment Income	777	478	6,186	3,554	4,476	7,120	13,516	16,329	12,185	4,839
Gain on Sale of Capital Assets	12,696	36,315	-	-	-	-	146	96	93	93
Proceeds from Settlement of Lawsuit	-	-	-	-	-	29,000	-	-	-	-
Other Revenue	43,597	46,362	66,356	52,497	43,339	27,090	17,037	22,997	32,724	33,730
Transfers	(18,281)	(26,842)	(12,370)	(15,532)	(14,260)	(21,521)	(16,103)	(19,073)	(61,764)	(52,809)
Total Governmental Activities	427,873	439,875	448,493	423,402	407,014	407,727	372,937	369,493	322,541	317,396
Business-type Activities:										
Investment Income	729	332	219	313	162	945	1,417	2,070	1,698	1,001
Gain (Loss) on Sale of Capital Assets	-	123	-	-	-	-	18	29	31	31
Transfers	18,281	26,842	12,370	15,532	14,260	21,521	16,103	19,073	61,764	52,809
Total Business-type Activities	19,010	27,297	12,589	15,845	14,422	22,466	17,538	21,172	63,493	53,841
Total Primary Government	446,883	467,172	461,082	439,247	421,436	430,193	390,475	390,665	386,034	371,237
Change in Net Position:										
Governmental Activities	52,063	71,800	15,169	34,941	7,141	(1,246)	(52,516)	(57,948)	4,944	3,811
Business-type Activities	51,295	33,824	29,296	35,054	33,022	4,067	(4,452)	(7,704)	1,870	(8,975)
Total Primary Government	$ 103,358	$ 105,624	$ 44,465	$ 69,995	$ 40,163	$ 2,821	$ (56,968)	$ (65,652)	$ 6,815	$ (5,164)

Notes:
(a) In 2013, Wisconsin Act 203 created the Mental Health Board. BHD surplus is now restricted. A new capital reserve was also created.
(b) In 2012, the County began reporting the activities of its Public Works - Professional Services as part of the General Fund. Prior to 2012, it had been reported as part of the Internal Service Funds.
(c) 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.
(d) 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)

	2014	2013 (a)	2012 (b)	2011	2010	2009 (c)	2008	2007 (d)	2006	2005
General Fund (Per GASB 54): ^										
Non-spendable:										
Inventories	$ 2,722	$ 2,696	$ 2,815	$ 2,085						
Restricted:										
2016 Appropriations	5,000	-	-	-						
2015 Appropriations	5,000	5,000	-	-						
2014 Appropriations	-	5,000	5,000	-						
2013 Appropriations	-	-	5,539	5,539						
2012 Appropriations	-	-	-	8						
Commitments	7,734	10,181	9,284	9,021						
Department of Family Care - State Restricted	12,220	12,208	11,432	12,182						
Department of Family Care - Excess Reserves	23,138	23,149	16,322	12,910						
Delinquent Property Tax	14,072	14,797	15,275	14,826						
Investment Market Value in Excess of Book Value	-	-	999	1,850						
Housing	185	835	627	1,369						
Behavioral Health Division (BHD) (a)	8,483	-	-	-						
Committed:										
Economic Development	2,739	1,196	1,196	196						
Workforce Development	-	-	722	-						
	81,293	**75,062**	**69,211**	**59,986**						
General Fund (Prior to GASB 54): ^										
Reserved for 2012 Appropriations					$ 8	$ -	$ -	$ -	$ -	$ -
Reserved for 2011 Appropriations					4,144	4,144	-	-	-	-
Reserved for 2010 Appropriations					-	4,144	4,144	-	-	-
Reserved for 2009 Appropriations					-	-	7,947	7,947	-	-
Reserved for 2008 Appropriations					-	-	-	4,901	4,901	-
Reserved for 2007 Appropriations					-	-	-	-	4,664	4,664
Reserved for 2006 Appropriations					-	-	-	-	-	(1,573)
Reserved for Encumbrances					5,092	6,205	9,349	11,810	22,617	15,516
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
Reserved for Delinquent Property Tax					14,826	13,558	10,487	8,278	5,522	3,999
Unreserved:										
Designated for Economic Development					196	196	201	200	150	138
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					**45,175**	**43,907**	**49,070**	**48,274**	**39,280**	**24,034**

COUNTY OF MILWAUKEE, WISCONSIN

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

	2014	2013 (a)	2012 (b)	2011	2010	2009 (c)	2008	2007 (d)	2006	2005
All Other Governmental Funds (Per GASB 54): ^										
Restricted:										
Debt Service	$ 40,238	$ 34,964	$ 27,063	$ 11,577						
Commitments	59,387	48,276	31,737	67,872						
Airport - Passenger Facilities Charges and Debt	27,398	26,352	29,369	27,199						
Administrative Services	7,016	7,016	6,984	136						
Zoo	1,118	950	914	874						
Parks	1,532	1,240	1,074	1,027						
Persons with Disabilities	99	101	110	115						
Behavioral Health Division	9,372	9,082	9,986	7,169						
Fleet and Facilities Divisions (b)	9,851	10,192	10,270	5,781						
Subtotal All Other Governmental Funds	**156,011**	**138,173**	**117,507**	**121,750**						
Total Governmental Funds Balance	**$ 237,304**	**$ 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
Reserved for Encumbrances					98,216	64,468	11,595	17,983	7,987	8,455
Reserved for Administrative Services					136	136	136	112	70	46
Reserved for Zoo					711	652	685	587	553	541
Reserved for Parks					930	998	1,072	853	711	658
Reserved for Persons with Disabilities					121	123	128	124	115	122
Reserved for Behavioral Health Division (BHD) (a & d)					8,360	8,978	9,344	9,671	423	478
Reserved for Airport - PFC and Debt					26,921	22,179	34,082	32,603	34,128	34,155
Reserved for Fleet and Facilities Divisions (c)					6,183	6,499	-	-	-	-
Subtotal All Other Governmental Funds					**148,910**	**110,253**	**67,799**	**68,004**	**49,560**	**47,434**
Total Governmental Funds Balance					**$ 194,085**	**$ 154,160**	**$ 116,869**	**$ 116,278**	**$ 88,840**	**$ 71,468**

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.

(a) In 2013, Wisconsin Act 203 created the Mental Health Board. BHD surplus is now restricted. A new capital reserve was also created.
(b) In 2012, the County began reporting the activities of its Public Works - Professional Services as part of the General Fund. Prior to 2012, it had been reported as part of the Internal Service Funds.
(c) 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.
(d) 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)

	2014 (a)	2013	2012 (b)	2011	2010	2009 (c)	2008	2007 (d)	2006	2005
Revenues:										
Intergovernmental	$ 230,905	$ 233,696	$ 254,672	$ 318,776	$ 335,573	$ 380,540	$ 365,495	$ 370,814	$ 302,975	$ 299,179
Property Taxes	284,462	283,632	279,179	273,297	266,973	260,724	251,495	243,144	234,317	228,628
Sales Taxes	67,826	65,488	64,740	64,348	61,534	59,258	67,112	63,613	63,654	62,673
Charges for Services (a)	429,944	420,623	414,039	405,138	388,274	344,591	379,907	347,478	239,891	224,005
Fines and Forfeits	1,680	2,172	2,621	2,932	3,284	3,245	3,375	3,571	3,616	2,823
Licenses and Permits	932	642	577	453	640	453	978	552	634	442
Investment Income (a)	777	10,260	9,069	10,730	11,540	11,352	17,679	20,411	16,288	8,741
Other	39,716	41,846	63,690	53,147	46,903	40,142	36,208	34,510	34,907	37,888
Total Revenues	**1,056,242**	**1,058,359**	**1,088,587**	**1,128,821**	**1,114,721**	**1,100,305**	**1,122,249**	**1,084,093**	**896,282**	**864,379**
Expenditures:										
Legislative, Executive and Staff	17,995	20,053	23,382	21,433	21,309	22,191	26,688	36,094	37,729	38,774
Courts and Judiciary	51,435	50,229	53,383	52,699	55,384	59,984	69,274	61,120	56,964	57,456
General Governmental Services	13,261	11,070	9,939	6,746	6,747	7,395	7,628	7,886	7,731	8,203
Public Safety	144,219	146,410	145,119	159,708	154,196	146,994	166,832	147,082	136,634	136,398
Public Works and Highways (b & c)	66,768	63,591	54,629	57,549	50,676	64,062	28,482	28,621	13,850	16,532
Human Services (d)	554,581	553,866	554,697	591,802	611,136	628,574	657,004	618,062	394,619	362,770
Parks, Recreation and Culture	64,258	64,231	65,212	65,271	64,062	66,806	66,799	66,414	64,194	62,984
Other	-	-	-	-	-	-	10,905	3,231	15,406	18,737
Capital Outlay	58,199	66,908	68,446	72,549	80,584	56,994	49,938	33,587	45,608	48,182
Debt Service:										
Principal Retired	69,942	56,761	63,913	61,626	60,202	48,164	38,677	31,063	28,437	24,657
Interest	22,704	50,700	36,993	36,894	38,036	32,215	15,476	15,473	15,025	16,232
Principal Retired on Refunding	-	227,004	-	-	-	-	-	-	-	-
Total Expenditures	**1,063,362**	**1,310,823**	**1,075,713**	**1,126,277**	**1,142,332**	**1,133,379**	**1,137,703**	**1,048,633**	**816,197**	**790,925**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(7,120)**	**(252,464)**	**12,874**	**2,544**	**(27,611)**	**(33,074)**	**(15,454)**	**35,460**	**80,085**	**73,454**

COUNTY OF MILWAUKEE, WISCONSIN

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

	2014 (a)	2013	2012 (b)	2011	2010	2009 (c)	2008	2007 (d)	2006	2005
Other Financing Sources (Uses):										
General Obligation Bonds Issued	$ 39,209	$ 259,248	$ 20,301	$ 31,757	$ 82,985	$ 90,000	$ 30,860	$ 33,625	$ 31,595	$ 24,610
General Obligation Bonds Issued - Premium	-	-	3,053	4,176	-	-	-	-	-	-
Premium/(Discount) on Debt Issued	1,106	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	-	-	-	-
Proceeds from Sale of Capital Assets	12,696	36,315	-	-	-	-	-	-	-	-
Proceeds from Capital Leases	324	1,383	-	-	-	-	-	-	-	-
Insurance Recoveries	2,046	13,000	-	-	-	-	-	-	-	-
Transfers In	111,970	113,594	128,310	104,061	212,816	89,852	54,950	137,797	42,366	58,972
Transfers Out	(136,162)	(145,398)	(136,411)	(119,131)	(228,265)	(102,501)	(73,048)	(190,547)	(138,795)	(139,132)
Total Other Financing Sources (Uses)	**31,189**	**278,981**	**(7,892)**	**(14,893)**	**67,536**	**70,365**	**16,045**	**(19,125)**	**(62,713)**	**(54,605)**
Net Change in Fund Balances	**$ 24,069**	**$ 26,517**	**$ 4,982**	**$ (12,349)**	**$ 39,925**	**$ 37,291**	**$ 591**	**$ 16,335**	**$ 17,372**	**$ 18,849**
Debt Service as a Percentage of Noncapital Expenditures	**9.22%**	**8.64%**	**10.02%**	**9.35%**	**9.25%**	**7.47%**	**4.98%**	**4.58%**	**5.64%**	**5.51%**

Notes:

(a) In 2014, the County began reporting Investment Income separately and Rents were transferred to Charges for Services. Prior to 2014, Investment Income and Rents were reported together.

(b) 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.

(c) 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.

(d) 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	Total Delinquent Taxes	Total Collections in Budget Year	Percent of Tax Collections in Budget Year	Collections in Subsequent Years	Total Collections to Date	Percent of Tax Collections to Date
2014	**2015**	$ 283,801	Info not available at print time					
2013	**2014**	280,130	$ 5,960	$ 270,472	96.55%	$ 3,698	$ 274,170	97.87%
2012	**2013**	280,134	4,702	267,487	95.49%	7,945	275,432	98.32%
2011	**2012**	276,194	3,182	261,959	94.85%	11,053	273,012	98.85%
2010	**2011**	270,386	1,410	256,180	94.75%	12,796	268,976	99.48%
2009	**2010**	264,102	793	248,351	94.04%	14,958	263,309	99.70%
2008	**2009**	258,479	391	243,129	94.06%	14,959	258,088	99.85%
2007	**2008**	250,733	108	237,137	94.58%	13,488	250,625	99.96%
2006	**2007**	241,882	86	230,955	95.48%	10,841	241,796	99.96%
2005	**2006**	233,430	75	223,930	95.93%	9,425	233,355	99.97%
2004	**2005**	226,721	69	219,183	96.68%	7,469	226,652	99.97%

Note:
In December, taxes are levied to the municipalities in Milwaukee County for the subsequent budget year. The municipalities collect and forward payments to Milwaukee County through July. In August, the outstanding tax balances (which are now considered delinquent) are transferred from all municipalities to Milwaukee County, except the City of Milwaukee which processes their own.

Source: County of Milwaukee, Wisconsin Treasurer's Office Tax Collection Records

COUNTY OF MILWAUKEE, WISCONSIN

Equalized Value of Taxable Property
Last Ten Years Ended December 31
(In Thousands)

Tax Levy Year	Tax Budget Year	Real Property: Residential	Real Property: Commercial	Real Property: Manufacturing	Real Property: Other	Personal Property	Total Equalized Value (1)	Less: Tax Incremental District	Total Taxable Equalized Value (1)	Total Direct Tax Rate	Aggregate Assessed Value (2)
2014	**2015**	$ 36,173,659	$ 18,648,195	$ 1,460,158	$ 31,809	$ 1,940,102	$ 58,253,923	$ (2,600,473)	$ 55,653,450	$ 5.10	$ 57,051,144
2013	**2014**	35,671,139	18,154,823	1,478,209	32,814	1,790,540	57,127,525	(2,518,176)	54,609,349	5.13	57,209,236
2012	**2013**	36,872,973	17,678,403	1,493,276	32,712	1,704,938	57,782,302	(2,252,219)	55,530,083	5.05	58,280,360
2011	**2012**	39,498,360	18,265,539	1,503,698	29,309	1,802,123	61,099,029	(2,547,465)	58,551,564	4.72	61,277,079
2010	**2011**	40,952,804	18,922,989	1,520,372	27,242	1,980,103	63,403,510	(2,673,043)	60,730,467	4.46	62,221,937
2009	**2010**	43,426,050	19,907,219	1,487,194	28,960	1,986,731	66,836,154	(3,156,683)	63,679,471	4.15	63,517,201
2008	**2009**	44,933,692	19,653,568	1,551,601	31,031	2,054,176	68,224,068	(2,952,150)	65,271,918	3.96	64,224,181
2007	**2008**	44,452,500	19,336,150	1,489,362	27,495	1,813,776	67,119,283	(2,637,236)	64,482,047	3.89	62,331,793
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

Notes:
(1) Equalized value is the State of Wisconsin's estimated value of property in a defined jurisdiction. Equalized value is used to apportion County property tax levies among municipalities.
(2) Each municipality assesses their own property values which are sent to the State of Wisconsin on the Statement of Assessment form.

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

COUNTY OF MILWAUKEE, WISCONSIN

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

Tax Levy Year	Tax Budget Year	Equalized Value (Incl TIF)	Less: Value of TIF Districts	Equalized Value (Excl TIF)	Property Taxes Operating Levy	Property Taxes Debt Levy	Property Taxes Total Levy	Property Taxes Operating Rate	Property Taxes Debt Rate	Property Taxes Total Direct Rate
		(1)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
2014	**2015**	$ 58,253,923	$ (2,600,474)	$ 55,653,449	$ 249,843	$ 33,957	$ 283,800	$ 4.49	$ 0.61	$ 5.10
2013	**2014**	57,127,525	(2,518,176)	54,609,349	237,940	42,190	280,130	4.36	0.77	5.13
2012	**2013**	57,782,302	(2,252,219)	55,530,083	228,570	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

Notes:
Late November in the tax levy year, a "Certification of the Apportionment of State and County Property Taxes and Charges" is filed with the Wisconsin Department of Revenue, for the tax budget year following. The Property Taxes Total Levy includes State Charitable and Penal Charges 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.

Sources:
(1) Wisconsin Department of Revenue - Reports - Equalized Value - Statement of Changes in Equalized Value (Report 2).
(2) Wisconsin Department of Revenue - determines the full value of Tax Increment Finance (TIF) Districts.
(3) Wisconsin Department of Revenue - Reports - Property Tax - Rates - County Property Tax Rates.

COUNTY OF MILWAUKEE, WISCONSIN

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

	Taxable Equalized Value (a)	Taxable Equalized Value % (a)	Gross Rates (b)									
Tax Levy Year	**2014**	**2014**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Tax Budget Year	**2015**	**2015**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Milwaukee County	**$ 55,653,452**	**100.00%**	**$ 28.53**	**$ 29.64**	**$ 29.15**	**$ 27.31**	**$ 26.20**	**$ 24.76**	**$ 23.50**	**$ 22.55**	**$ 22.26**	**$ 24.31**
Villages												
Bayside (1)	564,220	1.01%	28.40	29.59	28.89	26.84	26.31	25.07	24.07	23.69	23.82	25.27
Brown Deer	905,447	1.63%	31.70	33.00	31.86	29.67	28.23	26.91	25.69	24.16	24.35	26.31
Fox Point (1)	1,059,865	1.90%	27.74	29.16	28.46	26.64	26.22	24.72	23.51	23.02	23.23	24.47
Greendale	1,229,467	2.21%	27.77	29.64	28.45	28.15	27.17	25.48	24.35	24.55	24.10	24.55
Hales Corners	625,465	1.12%	27.04	27.23	27.00	25.30	25.67	23.91	22.58	22.24	22.04	23.14
River Hills (1)	460,292	0.83%	27.31	28.21	27.21	25.03	24.49	23.42	22.20	22.03	22.42	23.71
Shorewood (1)	1,370,569	2.46%	30.07	31.02	32.08	29.13	28.40	26.24	25.72	25.21	24.59	24.99
West Milwaukee	292,155	0.53%	31.07	32.22	32.15	31.80	30.57	28.59	27.34	26.75	26.75	28.27
Whitefish Bay	1,997,810	3.59%	24.34	25.80	25.56	24.51	24.14	22.32	21.47	21.73	21.86	22.48
Total Villages	**$ 8,505,290**	**15.28%**	**$ 27.88**	**$ 29.15**	**$ 28.74**	**$ 27.15**	**$ 26.52**	**$ 24.86**	**$ 23.85**	**$ 23.54**	**$ 23.46**	**$ 24.80**
Cities												
Cudahy	1,023,576	1.84%	27.44	28.99	27.66	26.77	27.09	25.40	25.17	24.59	23.81	25.18
Franklin (2)	3,473,233	6.24%	25.77	27.38	26.44	24.89	25.45	23.58	22.45	22.72	22.07	23.78
Glendale (1)	1,633,546	2.94%	27.87	28.43	28.65	26.14	24.12	23.28	22.78	22.64	22.43	23.72
Greenfield (1)	2,749,876	4.94%	27.76	28.52	28.80	26.41	26.33	24.72	22.82	22.18	21.90	23.11
Milwaukee	25,019,480	44.96%	30.59	31.27	30.59	28.67	26.96	25.64	24.15	22.63	22.21	24.59
Oak Creek	2,878,047	5.17%	24.08	25.14	25.12	23.32	23.07	21.99	20.86	20.75	20.03	22.50
St. Francis	569,633	1.02%	30.47	31.26	29.39	27.82	26.99	24.52	23.86	23.24	23.31	25.20
South Milwaukee	1,084,019	1.95%	28.12	30.31	29.32	27.32	26.03	24.14	23.55	22.35	23.02	23.74
Wauwatosa	5,091,256	9.15%	24.34	26.67	26.44	24.18	23.43	22.20	21.31	20.20	20.27	21.13
West Allis	3,625,496	6.51%	28.89	30.10	30.12	28.96	27.50	25.62	24.05	23.73	23.66	25.16
Total Cities	**$ 47,148,162**	**84.72%**	**$ 28.64**	**$ 29.72**	**$ 29.22**	**$ 27.33**	**$ 26.14**	**$ 24.75**	**$ 23.44**	**$ 22.39**	**$ 22.06**	**$ 23.81**

Notes:
(1) Municipalities have multiple property 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.

Sources:
(a) Wisconsin Department of Revenue - Governments - County Officials - Report Used for Apportionment of County Levy
(b) Wisconsin Department of Revenue - Reports - Property Tax - Rates - Town, Village and City Taxes

COUNTY OF MILWAUKEE, WISCONSIN

Weighted Average of Property Taxes to Taxable Equalized Value
For the Year Ended December 31, 2014
(In Thousands)

	2014 Equalized Value Excluding TIF Districts	2014 Property Tax after State Credit	2014 Weighted Average
Villages:			
Bayside (1)	$ 564,220	$ 14,907	0.000267854
Brown Deer	905,447	27,753	0.000498675
Fox Point (1)	1,059,865	27,337	0.000491200
Greendale	1,229,467	34,052	0.000611858
Hales Corners	625,465	16,005	0.000287583
River Hills (1)	460,292	11,667	0.000209637
Shorewood	1,370,569	40,144	0.000721321
West Milwaukee	292,155	10,970	0.000197113
Whitefish Bay	1,997,810	45,781	0.000822608
Total Villages	**8,505,290**	**228,616**	**0.004107849**
Cities:			
Cudahy	1,023,576	31,664	0.000568949
Franklin (2)	3,473,233	86,193	0.001548745
Glendale (2)	1,633,546	53,970	0.000969751
Greenfield (1)	2,749,876	71,517	0.001285042
Milwaukee	25,019,480	749,786	0.013472408
Oak Creek	2,878,047	66,826	0.001200752
St. Francis	569,633	16,250	0.000291985
South Milwaukee	1,084,019	29,769	0.000534899
Wauwatosa	5,091,256	123,238	0.002214382
West Allis	3,625,496	101,163	0.001817731
Total Cities	**47,148,162**	**1,330,376**	**0.023904645**
Milwaukee County	**$ 55,653,452**	**$ 1,558,992**	**0.028012494**

Notes:
(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 2014.

COUNTY OF MILWAUKEE, WISCONSIN

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

		2014			2005		
Company:	**Type of Business**	**Rank**	**Full Market Value**	**Percent of County Equalized Value**	**Rank**	**Full Market Value**	**Percent of County Equalized Value**
Mayfair Mall LLC (formerly Mayfair Property, Inc.)	Shopping Mall	1	$ 406,619	0.73%	1	$ 280,998	0.51%
Bayshore Town Center LLC	Shopping Mall	2	319,735	0.57%			
Northwestern Mutual Life Insurance Co.	Insurance	3	308,805	0.55%	2	254,666	0.46%
US Bank Corp	Banking	4	276,645	0.50%	3	239,448	0.44%
BRE Southridge Mall LLC	Shopping Mall	5	161,689	0.29%	5	144,954	0.26%
Mandel Group	Real Estate	6	158,095	0.28%			
Wal-Mart / Sam's Club	Retailer	7	145,864	0.26%			
Metropolitan Associates	Real Estate	8	126,746	0.23%	6	127,737	0.23%
Marcus Corp / Milw. City Center / Pfister	Hotels, Theaters and Restaurants	9	120,952	0.22%	9	114,424	0.21%
Forest County Potawatomi Community	Hotel, Parking Structure	10	84,940	0.15%			
General Electric	Manufacturer - medical equipment	11	80,720	0.14%			
100 E. Wisconsin Ave. Joint Venture	Real Estate	12	79,804	0.14%	12	60,595	0.11%
411 East Wisconsin LLC	Real Estate	13	77,627	0.14%			
Aurora Health	Health Care	14	74,590	0.13%			
Towne Realty Inc.	Real Estate	15	71,957	0.13%	8	122,236	0.22%
Covenant Health Care	Health Care				4	146,277	0.27%
M&I Marshall & Ilsley Bank	Banking				7	122,828	0.22%
NNN 411 East Wisconsin LLC	Real Estate				10	94,807	0.17%
Great Lakes Reit, LLP	Real Estate				11	66,866	0.12%
Banc One Wisconsin Corporation	Banking				13	60,313	0.11%
Geneva Exchange Fund	Real Estate				14	59,874	0.11%
Columbia St. Mary's	Health Care				15	54,121	0.10%
Total Milwaukee County Equalized Value, (including TIF Districts),			$ 58,253,924	100.00%		$ 56,680,686	100.00%

Source: Wisconsin Department of Revenue

COUNTY OF MILWAUKEE, WISCONSIN

Outstanding Debt by Type
Last Ten Years Ended December 31
(In Thousands)

	Governmental Activities		Business-type Activities							
Year	General Obligation Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds	Capital Leases	Total Primary Government	Total Personal Income (1)	Percentage of Personal Income	Population	Debt Per Capita
2014	$ 665,313	$ 5,282	$ 25,001	$ 221,036	$ 436	$ 917,068	Info not available at print time		950	$ 0.97
2013	* 699,153	6,053	28,558	230,481	245	964,490	$ 39,213,035	2.46%	950	1.02
2012	720,066	5,856	29,213	190,887	385	946,407	38,808,170	2.44%	948	1.00
2011	786,394	5,593	32,315	199,884	534	1,024,720	37,496,095	2.73%	948	1.08
2010	849,805	4,774	35,374	208,588	390	1,098,931	36,453,170	3.01%	948	1.16
2009	836,667	4,077	29,880	183,630	381	1,054,635	36,219,621	2.91%	932	1.13
2008	410,818	4,503	26,443	176,815	245	618,824	35,605,736	1.74%	938	0.66
2007	422,851	-	29,475	184,213	400	636,939	34,610,340	1.84%	937	0.68
2006	418,112	-	38,485	178,025	-	634,622	33,705,644	1.88%	937	0.68
2005	420,674	-	53,047	152,857	-	626,578	31,862,221	1.97%	939	0.67

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

Source: (1) U.S. Dept. of Commerce, Bureau of Economic Analysis (BEA), Regional Income Division, Local Area Personal Income and Employment, CA04 - Personal Income and Employment Summary Report.

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
2014	950	$ 58,253,923	$ 665,313	$ 25,001	$ 690,314	$ (40,238)	$ 650,076	1.12%	$ 0.68
2013	950	57,127,525	699,153	28,558	727,711	(34,964)	692,747	1.21%	0.73
2012	948	57,782,302	720,066	29,213	749,279	(27,063)	722,216	1.25%	0.76
2011	948	61,099,029	786,394	32,315	818,709	(11,577)	807,132	1.32%	0.85
2010	948	63,403,510	849,805	35,374	885,179	(7,332)	877,847	1.38%	0.93
2009	932	66,836,154	836,667	29,880	866,547	(6,220)	860,327	1.29%	0.92
2008	938	68,224,068	410,818	26,443	437,261	(10,757)	426,504	0.63%	0.45
2007	937	67,119,283	422,851	29,475	452,326	(6,071)	446,255	0.66%	0.48
2006	937	63,609,181	418,112	38,485	456,567	(3,594)	453,003	0.71%	0.48
2005	939	56,680,686	420,674	53,047	473,721	(2,415)	471,306	0.83%	0.50

Sources:
(1) State of Wisconsin - Dept. of Administration - Intergovernmental Relations - Per County Final Population Preliminary Estimates
(2) Wisconsin Department of Revenue - Reports - Equalized Value - Statement of Changes in Equalized Value (Report 2)

COUNTY OF MILWAUKEE, WISCONSIN

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

	2014	2013	2012	2011	2010
Equalized Value of Taxable Property (1) (including TIF Districts)	$ 58,253,923	$ 57,127,525	$ 57,782,302	$ 61,099,029	$ 63,403,510
Debt Limit Rate - (statutory limitation) (1)	5%	5%	5%	5%	5%
Statutory Debt Limit (1)	2,912,696	2,856,376	2,889,115	3,054,951	3,170,176
Bonds and Notes Outstanding:					
General Obligation Bonds and Notes	690,314	727,711	749,279	818,709	885,179
Less: Amount Available in Debt Service Fund	(40,238)	(34,964)	(27,063)	(11,577)	(7,332)
Total Net Debt Applied to Debt Limit	650,076	692,747	722,216	807,132	877,847
Legal Debt Margin Remaining at 12/31	**$ 2,262,620**	**$ 2,163,629**	**$ 2,166,899**	**$ 2,247,819**	**$ 2,292,329**
Total Net Debt Applied to Debt Limit as a percentage of the Statutory Debt Limit	22.3%	24.3%	25.0%	26.4%	27.7%

	2009	2008	2007	2006	2005
Equalized Value of Taxable Property (1) (including TIF Districts)	$ 66,836,154	$ 68,224,068	$ 67,119,283	$ 63,609,181	$ 56,680,686
Debt Limit Rate - (statutory limitation) (1)	5%	5%	5%	5%	5%
Statutory Debt Limit (1)	3,341,808	3,411,203	3,355,964	3,180,459	2,834,034
Bonds and Notes Outstanding:					
General Obligation Bonds and Notes	866,547	437,261	452,326	456,597	473,721
Less: Amount Available in Debt Service Fund	(6,220)	(10,757)	(6,071)	(5,573)	(2,979)
Total Net Debt Applied to Debt Limit	860,327	426,504	446,255	451,024	470,742
Legal Debt Margin Remaining at 12/31	**$ 2,481,481**	**$ 2,984,699**	**$ 2,909,709**	**$ 2,729,435**	**$ 2,363,292**
Total Net Debt Applied to Debt Limit as a percentage of the Statutory Debt Limit	25.7%	12.5%	13.3%	14.2%	16.6%

Source: (1) Wisconsin Department of Revenue, Reports, Municipal Debt Limit.

COUNTY OF MILWAUKEE, WISCONSIN

Direct and Overlapping Bonded Debt & Capital Leases
For the Year Ended December 31, 2014
(In Thousands)

Direct:	**Net Debt Outstanding**	**Percent Applicable to County**	**Amount Applicable to County**
Milwaukee County - Net Debt Outstanding	$ 665,313	100.00%	$ 665,313
Milwaukee County - Net Capital Leases	5,282	100.00%	5,282
Total Direct Debt - Milwaukee County	**$ 670,595**	**100.00%**	**$ 670,595**
(Governmental-activities only)			

Overlapping:	**Net Debt * Outstanding**	**Percent Applicable to County**	**Amount Applicable to County**
Villages:			
Bayside	$ 10,573	95.90%	$ 10,140
Brown Deer	21,353	100.00%	21,353
Fox Point	15,724	100.00%	15,724
Greendale	17,512	100.00%	17,512
Hales Corners	6,775	100.00%	6,775
River Hills	7,054	100.00%	7,054
Shorewood	41,363	100.00%	41,363
West Milwaukee	10,206	100.00%	10,206
Whitefish Bay	52,177	100.00%	52,177
Cities:			
Cudahy	33,090	100.00%	33,090
Franklin	42,445	100.00%	42,445
Glendale	38,070	100.00%	38,070
Greenfield	43,950	100.00%	43,950
Milwaukee	796,578	100.00%	796,578
Oak Creek	68,725	100.00%	68,725
South Milwaukee	22,995	100.00%	22,995
St. Francis	13,745	100.00%	13,745
Wauwatosa	69,715	100.00%	69,715
West Allis	78,309	100.00%	78,309
Subtotal Overlapping	**1,390,359**		**1,389,926**

Overlapping:	**Net Debt * Outstanding**	**Percent Applicable to County**	**Amount Applicable to County**
School Districts:			
Brown Deer	$ 28,976	100.00%	$ 28,976
Cudahy	17,828	100.00%	17,828
Fox Point / Bayside	5,840	97.86%	5,715
Franklin	36,275	100.00%	36,275
Glendale - River Hills	4,605	100.00%	4,605
Greendale	16,510	100.00%	16,510
Greenfield	54,509	100.00%	54,509
Maple Dale / Indian Hill	2,849	100.00%	2,849
Milwaukee Area Technical College	115,370	80.90%	93,339
Milwaukee Public	75,436	100.00%	75,433
Nicolet High School*	4,760	99.37%	4,730
Oak Creek / Franklin	46,520	100.00%	46,520
St. Francis	13,340	100.00%	13,340
Shorewood	21,575	100.00%	21,575
South Milwaukee	37,193	100.00%	37,193
Wauwatosa	-	100.00%	-
West Allis / West Milwaukee	27,113	93.39%	25,320
Whitefish Bay	17,060	100.00%	17,060
Whitnall	335	100.00%	335
Metropolitan Sewerage District	970,256	99.93%	969,578
Subtotal Overlapping	**1,496,350**		**1,471,690**
Total Overlapping Debt	**2,886,709**	**99.13%**	**2,861,616**
Total Debt	**$ 3,557,304**	**99.29%**	**$ 3,532,211**

Note: The amount of net debt outstanding applicable to the County is a calculation of the percent applicable to the County times the net debt outstanding.

Source: * Milwaukee County Comptrollers Office - February 2014 Survey

COUNTY OF MILWAUKEE, WISCONSIN

Demographic and Economic Statistics
For the Year Ended December 31

Year	Population	Total Personal Income (in Thousands)	Per Capita Personal Income	Public School Enrollment	Private School Enrollment	-----Unemployment Rate----- County	Wisconsin	United States	Total County Labor Force	Total County Workers Unemployed
	(1)	(2)	(2)	(3)	(3)	(4)	(4)	(4)	(4)	(4)
2014	949,741	Info not available at print time		140,739	38,818	7.0%	5.5%	6.2%	480,920	33,647
2013	950,410	39,213,035	41,017	139,533	40,415	8.4%	6.8%	7.4%	479,833	40,297
2012	948,322	38,808,170	40,628	139,393	39,894	8.6%	7.0%	8.1%	476,448	41,008
2011	948,369	37,496,095	39,390	140,704	39,408	9.3%	7.8%	8.9%	477,744	44,408
2010	947,735	36,453,170	38,437	140,241	39,996	10.0%	8.7%	9.6%	476,448	47,615
2009	931,830	36,219,621	38,422	141,942	39,795	9.4%	8.6%	9.3%	467,652	44,154
2008	938,490	35,605,736	38,091	143,566	39,801	5.7%	4.9%	5.8%	469,227	26,582
2007	937,324	34,610,340	37,157	146,269	38,363	5.8%	4.9%	4.6%	469,736	27,239
2006	936,892	33,705,644	36,232	147,773	38,434	5.7%	4.7%	4.6%	454,893	25,859
2005	938,995	31,862,221	34,167	147,123	38,198	5.7%	4.7%	5.1%	451,298	25,909

Note: Data for all years displayed is the most current information available as of 05/21/15.

Sources:

(1) State of Wisconsin - Dept. of Administration - Intergovernmental Relations Per County Final Populations Estimates - calculated as of January 1 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) 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.

(3) 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.

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

COUNTY OF MILWAUKEE, WISCONSIN

Principal Private Sector Employers
Current Year and Nine Years Ago

		2014 (1)			2005 (2)		
Private Sector Employers:	**Type of Business or Service**	**Rank**	**Number of Employees**	**% of Total County Employment**	**Rank**	**Number of Employees**	**% of Total County Employment**
Aurora Health Care, Inc.	Health Care System	1	24,462	5.47%	1	14,247	3.35%
Wheaton Franciscan Health Care	Health Care System	2	10,687	2.39%			
Froedtert & Community Health	Health Care System	3	9,028	2.02%			
Roundy's Supermarkets, Inc.	Retail Supermarkets	4	9,000	2.01%	4	6,800	1.60%
The Medical College of Wisconsin	Private Medical School	5	5,400	1.21%			
Columbia St. Mary's Health System	Health Care System	6	5,400	1.21%	9	5,749	1.35%
Northwestern Mutual	Insurance, Investment Products	7	5,000	1.12%			
ProHealth Care, Inc.	Health Care System	8	4,700	1.05%			
Children's Hospital	Health Care System	9	4,471	1.00%			
Goodwill Industries	Training Programs, Retail & Food Service	10	4,055	0.91%			
Covenant Health Care System Inc.	Health Care				2	9,100	2.14%
Quad/Graphics Inc.	Printing				3	8,500	2.00%
Marshall & Ilsley Corp.	Banking/Finance and Data Services				5	6,729	1.58%
GE Healthcare	Health Care				6	6,462	1.52%
Kohl's Corp.	Retail				7	6,200	1.46%
SBC Corp.	Communications				8	6,000	1.41%
Wal-Mart / Sam's Club	Retail				10	5,721	1.34%
Total Employment within County of Milwaukee (3)			447,273	100.00%		425,389	100.00%

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.

Sources:
(1) The Business Journal of Greater Milwaukee, Book of lists as of July 11, 2014.
(2) Milwaukee Metropolitan Sewerage District 2014 Fiscal Report, Exhibit B-17.
(3) Wisconsin Department of Workforce Development - LAUS Results --- Local Area Unemployment Stats --- 2014 & 2005

COUNTY OF MILWAUKEE, WISCONSIN

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actual Number of Employees:										
Legislative, Executive and Staff	350	374	371	251	254	296	311	343	371	369
Courts and Judiciary	414	431	411	408	427	423	423	433	456	471
General Governmental Services	109	102	87	50	63	56	60	69	68	67
Public Safety	1,175	1,253	1,265	1,409	1,430	1,507	1,554	1,531	1,553	1,577
Public Works and Highways	427	442	427	561	546	578	585	587	583	646
Health and Human Services	1,127	1,239	1,296	1,487	1,647	1,771	1,825	1,799	1,818	1,820
Parks, Recreation and Culture	574	551	533	563	643	587	658	660	612	620
Total Actual Number of Employees	**4,176**	**4,392**	**4,390**	**4,729**	**5,010**	**5,218**	**5,416**	**5,422**	**5,461**	**5,570**
% Increase (Decrease) From Previous Year	-4.92%	0.05%	-7.17%	-5.61%	-3.99%	-3.66%	-0.11%	-0.71%	-1.96%	0.14%
Budgeted Number of Employees:										
Legislative, Executive and Staff:										
County Board (25)(26)	31.0	56.4	56.9	58.5	60.2	60.2	59.2	58.9	57.7	57.5
Audit Department (22)	-	-	-	16.0	18.0	19.0	18.9	20.1	20.3	20.0
County Executive - General Office	9.0	9.5	9.5	9.0	10.0	10.6	10.2	8.1	9.6	10.4
Office for Persons with Disabilities	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	5.2	5.2
County Executive - Intergovernmental Relations	3.0	-	-	-	-	-	-	-	-	-
Veterans Service	5.5	5.5	6.0	6.0	5.0	6.0	5.7	6.0	7.0	6.5
Office of Community Development Partners	8.0	7.7	6.0	6.0	6.0	6.0	6.0	5.0	5.8	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 (9)	7.3	7.3	7.3	7.3	6.9	7.4	7.5	7.2	7.0	7.0
Corporation Counsel	19.0	19.0	18.8	19.7	20.0	22.1	21.8	21.7	20.3	18.5
Department of Labor Relations (4)	-	3.0	3.5	2.8	3.4	4.4	4.0	3.0	-	-
Human Resources (4)(5)(15)(19)	54.9	55.8	50.6	14.2	13.5	30.6	31.0	36.9	55.5	53.3
Risk Management	5.0	7.0	5.0	5.1	5.0	5.0	5.3	5.0	5.8	5.5
Fiscal Affairs (22)	11.5	13.2	19.7	42.7	46.4	46.1	47.0	44.2	44.6	45.9
Procurement	6.7	7.5	7.5	5.5	5.8	6.7	7.8	9.0	10.7	10.1
Information Management Services	53.0	58.9	58.0	61.3	62.6	81.3	86.9	93.2	98.0	99.3
Economic Development (3)	-	-	-	-	-	-	-	-	-	36.0
Employee Benefits (5)	-	-	-	23.0	21.9	19.6	18.8	15.3	-	-
Economic and Community Development (3)(7)(10)(21)	8.0	8.0	9.0	-	-	-	6.2	29.0	35.5	-
Ethics Board (9)	0.8	0.8	0.8	0.8	0.6	-	-	-	-	-
Facilities Management (20)	176.7	163.9	154.5	-	-	-	-	-	-	-
Total Legislative, Executive and Staff	**408.5**	**432.6**	**422.2**	**287.0**	**294.4**	**334.1**	**345.4**	**371.7**	**388.0**	**385.2**

COUNTY OF MILWAUKEE, WISCONSIN

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Budgeted Number of Employees:										
Courts and Judiciary:										
Combined Court Related Operations	288.8	284.2	285.8	284.9	280.6	277.4	277.5	275.2	280.7	302.9
Department of Child Support	150.5	140.7	137.8	150.5	133.3	130.5	138.6	190.8	193.1	191.0
Courts - Pre-Trial Services	1.0	1.0	1.0	-	-	-	-	-	-	-
Total Courts and Judiciary	**440.3**	**425.9**	**424.6**	**435.4**	**413.9**	**407.9**	**416.1**	**466.0**	**473.8**	**493.9**
General Governmental Services:										
Election Commission	6.5	6.7	7.4	6.5	8.0	6.6	7.7	7.1	5.1	3.8
County Treasurer	7.5	7.5	8.5	8.5	9.5	8.5	8.0	9.0	8.9	9.0
County Clerk	12.0	7.0	7.0	7.1	7.1	6.6	7.6	7.6	7.6	7.0
Register of Deeds	31.9	32.9	34.9	35.7	35.8	42.6	47.6	49.1	49.5	48.0
Office of the Comptroller (22)(24)(26)	57.0	43.0	40.4	-	-	-	-	-	-	-
Total General Governmental Services	**114.9**	**97.1**	**98.2**	**57.8**	**60.4**	**64.3**	**70.9**	**72.8**	**71.1**	**67.8**
Public Safety:										
Office of the Sheriff (11) (23)	744.1	777.3	1,265.9	1,385.9	1,434.2	952.9	935.2	951.0	986.1	1,009.8
House of Correction (11) (23)	452.2	482.7	-	-	-	486.0	512.3	527.4	545.6	557.4
District Attorney	158.6	150.0	148.2	155.1	157.5	164.6	162.9	161.5	159.1	161.6
Medical Examiner	28.2	28.3	27.6	27.5	27.2	29.4	25.3	25.0	27.2	29.8
Total Public Safety	**1,383.1**	**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**
Public Works and Highways:										
Airport (12)	-	-	-	271.7	275.7	269.8	229.0	216.4	217.4	213.9
Transportation Services (13)	-	-	-	14.5	11.8	12.1	17.7	17.8	20.4	18.9
Architectural, Engineering and Environmental Services (2)	-	-	-	35.2	36.4	37.6	40.2	40.9	48.9	51.0
Highway Maintenance	-	-	-	125.1	125.6	135.7	112.1	114.2	117.9	129.9
Fleet Management (14)	-	-	-	34.6	38.0	43.3	53.1	57.5	63.6	71.0
Facilities Management (1)(6)	-	-	-	85.0	133.1	150.1	159.2	148.9	172.0	164.5
Director's Office (1)(6)(10)	-	-	-	13.2	13.0	11.3	3.3	3.9	46.9	54.5
Total Public Works and Highways	**-**	**-**	**-**	**579.3**	**633.6**	**659.9**	**614.6**	**599.6**	**687.1**	**703.7**
Department of Transportation:										
Airport	288.3	289.1	290.5	-	-	-	-	-	-	-
Highway Maintenance	135.3	136.6	128.1	-	-	-	-	-	-	-
Fleet Management	34.1	34.1	35.0	-	-	-	-	-	-	-
Director's Office	6.0	7.0	7.0	-	-	-	-	-	-	-
Total Department of Transportation	**463.8**	**466.8**	**460.6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

COUNTY OF MILWAUKEE, WISCONSIN

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Budgeted Number of Employees:										
Health and Human Services:										
Behavioral Health Division (16)(27)	577.1	801.0	837.4	843.7	827.7	858.8	890.9	886.8	876.4	903.2
County Health Programs (16)	-	-	-	-	-	34.5	49.2	49.8	51.1	51.9
Department on Aging (8)	76.0	73.0	77.2	77.0	79.6	83.3	89.4	147.8	160.6	158.5
Department of Family Care (8)	72.2	64.6	64.4	79.1	90.1	91.4	60.4	-	-	-
Department of Health and Human Services (7)(10)	448.8	315.6	313.8	663.1	672.1	682.3	745.6	745.4	795.1	797.8
Total Health and Human Services	**1,174.1**	**1,254.2**	**1,292.8**	**1,662.9**	**1,669.5**	**1,750.3**	**1,835.5**	**1,829.8**	**1,883.2**	**1,911.4**
Parks, Recreation and Culture:										
Parks Division	363.6	391.1	431.3	487.2	509.5	547.5	542.2	485.5	548.0	534.8
Zoological Department	252.7	254.7	254.3	257.5	256.1	251.8	246.3	250.3	253.1	250.4
University Extension	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	1.0	1.0
Total Parks, Recreation and Culture	**617.0**	**646.6**	**686.4**	**745.5**	**766.4**	**800.1**	**789.3**	**736.6**	**802.1**	**786.2**
Totals - Budgeted - All Operating Departments	**4,601.6**	**4,761.5**	**4,826.5**	**5,336.4**	**5,457.1**	**5,649.5**	**5,707.5**	**5,741.4**	**6,023.3**	**6,106.8**
% Increase (Decrease) From Previous Year	-3.36%	-1.35%	-9.56%	-2.21%	-3.41%	-1.02%	-0.59%	-4.68%	-1.37%	-2.37%
Actual Employees Under Budgeted Employees	425.6	369.5	436.5	607.4	447.1	431.5	291.5	319.4	562.3	536.8

Department Notes:

(1) The 2005 Budget transferred the security responsibilities from the Facilities Management Department to the Director's Office department.
(2) The 2005 Budget had numerous unfunded positions, due to the smaller Capital Budget and associated reduction in workload.
(3) The 2006 Budget transferred the Economic Development Department to the Economic and Community Development Department.
(4) The 2007 Budget transferred the Labor Relations Department from the Human Resources Department.
(5) The 2007 Budget transferred the Employee Benefits Department from the Human Resources Department.
(6) The 2007 Budget transferred the security responsibilities from the Director's Office department back to the Facilities Management Department.
(7) The 2008 Budget transferred the Home / Home Repair Voucher Program to the Housing Division in the Department of Health and Human Services.
(8) 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.
(9) In 2009 and prior budgets, all FTE's of the Ethics Board were budgeted in the Personnel Review Board.
(10) 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.
(11) In 2009, the Sheriff's Office took responsibility for the House of Corrections. This consolidation was reflected beginning in the 2010 Budget.
(12) 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.

Department Notes (cont.):

(13) 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.
(14) 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.
(15) The 2010 Budget transferred 14.0 Human Resources field staff to the departments in which they worked.
(16) The 2010 Budget merges the County Health Programs into the Behavioral Health Division.
(17) The 2010 Budget continued to abolish positions.
(18) 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.
(19) 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.
(20) 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.
(21) The 2012 Budget transferred Real Estate Services & Economic Development to DAS-Economic Development from the Department of Transportation
(22) During 2012, the Office of the Comptroller was created via Appropriation Transfer from DAS-Fiscal Affairs and Audit Department.
(23) In 2013, the budget recreated the House of Correction as a separate entity from the Sheriff's Office.
(24) In 2014, positions in various departments were transferred to Central Payroll.
(25) In 2014, positions were reduced to comply with 2013 Wisconsin Act 14 which provides a tax levy cap related to structure and duties of the County Board.
(26) In 2014, Research Services were transferred from County Board to Office of the Comptroller.
(27) In 2014, positions were abolished in Behavioral Health Division due to closing Center for Independence and Development.

COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function
For the Last Nine Years Ended December 31

	2014	2013	2012	2011	2010	2009	2008	2007	2006
LEGISLATIVE, EXECUTIVE, AND STAFF									
Procurement:									
Purchase Orders	2,008	1,789	1,623	1,404	1,824	1,457	1,541	1,733	-
Formal Bids	22	17	6	35	33	83	47	63	66
Informal Bids and Quotes	24	28	40	32	44	270	159	230	55
Requests for Proposals	5	3	6	-	1	3	1	3	7
General Awards	1,499	1,364	1,245	1,340	991	1,101	1,334	1,443	1,573
Human Resources:									
Tuition Loans Processed	29	35	52	46	63	57	65	99	99
On-Line Applications Processed	27,526	18,935	14,982	26,461	26,356	40,000	7,278	-	-
Job Requisitions Requested	493	505	475	504	414	405	269	494	494
Certification Requests Processed	478	450	475	504	414	405	269	494	494
Current Positions Studied for Proper Classification	1,131	1,493	74	32	32	64	-	44	44
New Positions Studied for Proper Classification	15	38	52	31	25	9	-	18	18
COURTS AND JUDICIARY									
Register in Probate:									
Civil Commitments - Adults	3,003	3,700	4,659	5,280	5,673	5,419	5,278	5,283	6,172
Civil Commitments - Juvenile	1,008	982	1,157	1,121	972	639	472	-	-
Guardianship/Conservatorship	261	308	319	299	278	1,019	265	525	702
Protective Placement	324	294	226	326	290	287	342	297	516
Annual Review of Protective Placement	1,259	1,288	1,389	1,499	1,462	1,599	1,529	2,000	2,000
Informal Administration	879	990	931	975	1,092	1,068	1,161	1,374	1,274
Formal Administrations	90	111	90	142	147	138	137	-	-
Trusts	29	46	30	27	39	36	42	39	43
Special Administration, Summary Proceedings	333	410	388	386	315	238	233	246	244
Descent/Life Estate	-	-	4	5	6	6	6	5	10
Adult Adoption	11	25	10	17	8	13	18	15	12
Wills Deposited For Safekeeping	85	165	75	83	150	90	94	130	157
Temporary Guardianships	82	62	53	69	63	13	20	-	-
Ancillary Proceedings	14	4	4	-	3	2	3	-	-
GENERAL GOVERNMENTAL SERVICES									
Election Commission:									
Elections	4	2	4	2	4	2	4	2	4
Special Elections	2	8	-	7	2	2	-	3	2
Recount Elections	-	-	-	1	2	-	-	-	-
State/County/Municipal/School Board Referendums	13	1	14	4	1	3	12	6	10
Campaign Finance Statements	97	150	199	194	182	160	167	102	140
Nomination Papers Received	7	8	45	13	11	-	37	6	12
Election Ballot Set-up/Proofing	4	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
Elections Requiring Braille Ballots	6	2	6	4	3	3	4	2	6
Election Commission Meetings	20	14	6	3	3	4	1	1	8
Treasurer:									
Checks Issued	73,988	74,648	78,045	77,880	78,045	95,722	97,950	215,285	246,912
Lost Checks/Stop Payments	357	271	373	370	373	567	247	350	121
Property Tax Receipts Issued	6,662	7,143	7,348	6,401	7,348	6,758	5,865	5,128	4,418

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 Nine Years Ended December 31

	2014	2013	2012	2011	2010	2009	2008	2007	2006
Treasurer (cont):									
Delinquent Tax Notices Processed	3,762	5,979	3,564	1,556	3,564	11,233	4,950	6,851	7,539
Tax Forms Furnished	280,200	439,516	901,850	589,724	901,850	726,466	958,872	680,941	856,484
Register of Deeds									
With Transfer Fee	12,842	12,806	10,563	9,123	10,134	12,063	12,237	16,817	21,082
Without Transfer Fee	7,686	8,370	8,491	8,096	7,845	7,968	8,619	8,186	7,764
Total Transfer Fees	7,622,493	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	211,421	186,017	212,817	183,993	192,240	178,393	236,977	254,157	219,510
Foreclosures (Lis Pendens)	3,328	4,086	6,285	6,152	7,167	7,472	6,811	5,927	3,912
Wisc Commerce Department Stipulations	732	1,032	1,088	755	757	1,249	865	947	1,317
Total Mortgages	22,712	30,539	32,604	27,184	30,978	40,667	39,505	56,514	70,256
Assignments	6,851	10,207	11,656	7,649	8,015	9,781	9,914	12,366	15,187
Partial Release	559	518	562	1,263	780	889	1,150	1,938	2,131
Release	26,824	36,769	38,128	33,027	35,677	45,564	44,146	55,852	66,374
Land Contracts	172	210	170	185	122	138	134	126	166
Sheriff Deeds	2,257	3,037	3,457	3,168	3,053	2,879	3,086	1,602	955
Joint Tenancy Survivorship	1,528	1,508	1,534	1,452	1,431	1,518	1,557	1,654	1,824
Federal Tax Liens	1,700	1,697	1,988	2,628	3,225	2,674	3,002	2,899	2,833
Financing Statements	844	799	1,044	920	880	1,153	1,085	1,472	1,372
Military Discharge	14	16	24	18	40	7	20	29	30
Electronic Recording	56,033	66,256	67,107	48,745	43,816	41,938	20,690	16,256	13,199
E-Docs % of Total Documents	59.41%	52.92%	51.03%	42.71%	35.66%	28.30%	14.46%	9.04%	6.42%
Total Records	98,929	125,206	131,502	114,141	123,084	148,186	143,085	179,818	205,705
Births	15,094	15,107	15,144	15,209	15,615	16,141	16,578	16,950	16,545
Marriages	4,880	4,377	4,454	4,641	4,247	4,236	4,388	4,470	4,858
Domestic Partnerships	50	46	55	56	67	201	-	-	-
Deaths	9,294	9,966	9,246	9,817	9,266	9,293	9,527	9,467	9,947
Copies Issued - Paid	97,047	98,758	94,690	91,399	91,564	86,307	90,382	101,232	100,079
Copies Issued - Free	192	170	228	523	207	298	286	201	321
Subdivision Plats No.	28	1	2	3	1	2	5	19	21
Subdivision Plats Lots	18	6	16	45	7	29	107	462	539
Condominium Plats No.	12	15	16	14	15	22	26	68	90
Condominium Plats Units	53	30	25	21	86	665	484	1,208	1,718
Copies and Images - Revenue	435,251	463,255	536,157	376,957	406,563	399,243	342,147	338,312	334,508
Recorded Documents - Revenue	1,512,955	1,903,590	1,996,870	1,730,490	1,541,419	1,535,486	1,428,209	2,052,462	2,485,049
Vital Statistics - Revenue	405,584	411,201	398,096	387,479	395,530	397,965	405,345	465,864	470,612
County Share Transfer Fees - Revenue	1,611,600	1,429,278	1,348,789	992,767	1,112,513	1,291,186	1,739,976	2,564,569	2,776,965
County Clerk:									
Marriage Licenses Issued	5,295	4,684	4,842	4,618	4,607	4,652	4,752	5,931	5,227
Domestic Partnerships Declarations Issued	43	64	53	55	74	217	started 2009		
Domestic Partnership Terminations Process	3	10	5	5	1	-	started 2009		
Marriage License/Domestic Partnerships Waivers	643	354	334	276	255	207	179	182	234
Duplicate Marriage License/Domestic Partnerships	82	81	89	64	75	76	48	51	59
Civil Marriage Ceremonies Performed	1,490	1,093	1,076	1,000	1,012	954	953	999	1,087
County Board Files Maintained	954	962	1,018	875	472	482	485	950	874
County Ordinances Published	18	14	24	21	10	18	17	22	23
County Board Proceedings Published	13	15	12	15	1,128	1,084	940	2,732	2,782
Contractor Lien Notices/Vendor Tax Levies Processed	14	29	21	48	56	45	43	37	93
Contractor Qualification Statements Approved	107	93	125	127	117	107	130	622	633

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 Nine Years Ended December 31

	2014	2013	2012	2011	2010	2009	2008	2007	2006
County Clerk (cont):									
Claims Processed	233	226	260	281	314	315	346	1,703	1,486
Summons and Complaints Processed	143	182	189	180	184	158	126	1,582	1,150
Construction Bid Notices Processed	94	89	112	84	104	86	52	380	475
Legal Documents Assigned to Central Files	14	55	50	111	93	51	33	8,624	6,453
Lobbying Registrations Processed	58	50	52	54	52	46	44	64	44
Passport Applications Processed	1,385	1,247	962	778	778	683	578	940	187
Passport Photos Taken	738	735	570	352	367	314	282	464	110
Oaths of Office Administered	67	145	146	67	65	49	48	68	61
DNR Licenses Sold	384	387	410	325	222	331	started 2009		
Documents Notarized	5,818	5,256	5,369	5,053	4,876	5,173	4,752	4,933	5,239
Milwaukee County Transit System Tickets Sold	1,514	2,063	3,419	3,545	3,880	2,512	3,174	1,849	1,487
Office of the Comptroller:									
Accounts Reconciled	744	744	768	723	732	740	743	807	680
PUBLIC SAFETY									
Medical Examiner:									
Autopsies	1,318	1,294	1,280	1,158	1,056	1,050	948	1,048	1,037
Death Certificates	1,656	1,635	1,639	1,526	1,623	1,644	1,736	1,703	1,904
Cremation Permits	4,219	4,035	3,834	3,457	3,591	3,393	3,390	3,212	3,075
Autopsy Referrals	367	305	312	172	67	-	-	-	-
Death Investigated	6,089	5,975	5,098	5,389	5,380	5,181	5,242	5,094	5,080
District Attorney:									
Felony Cases Filed	5,550	5,695	6,140	6,109	6,194	5,845	6,437	6,270	6,776
Misdemeanor Cases Filed	5,179	5,510	6,713	7,362	7,590	6,646	7,648	9,027	9,677
Criminal Traffic Cases Filed	2,577	2,724	2,792	2,796	3,446	5,534	6,397	6,275	8,734
CHIPS Cases Filed	1,266	1,343	1,127	1,597	1,500	1,533	1,820	1,717	1,760
Juvenile Delinquency Cases Filed	1,343	1,476	1,725	1,632	1,555	1,818	2,188	2,467	2,613
Termination of Parental Rights Cases Filed	266	346	278	312	281	346	395	285	382
Sheriff:									
Traffic Citations	21,353	27,752	35,597	37,710	33,064	35,725	34,737	41,791	42,808
Auto Accidents Reported and Investigated	4,516	4,740	3,970	4,602	4,275	3,965	6,197	4,632	4,402
Background Checks (Criminal Investigations Division)	436	385	698	493	287	469	388	284	238
Criminal Complaints Issued	977	1,190	1,626	3,017	4,032	3,944	1,379	378	378
Writs of Restitution (Evictions)	3,773	3,174	3,261	3,078	2,821	2,807	2,783	3,340	2,927
Writs of Assistance (Foreclosures)	706	899	947	792	736	806	1,119	490	308
Temporary Restraining Orders Received	4,402	4,557	4,649	5,216	5,651	5,536	4,791	368	355
911 Phone Calls	111,051	215,283	323,754	299,517	390,367	536,404	815,542	506,503	526,085
Bookings	32,302	34,541	37,225	42,617	39,887	38,426	37,482	46,527	51,026
Number of Bailiff Posts	78	81	84	79	79	78	79	76	74
Open Records Requests	5,717	5,544	7,052	7,333	3,347	4,333	4,928	5,829	7,691
Civil Process Papers Served	18,278	20,107	21,437	21,592	22,418	22,851	19,952	17,270	14,496
House of Correction:									
Avg Daily Population - Milwaukee County Jail Overflow	461	575	409	401	696	889	618	608	664
Huber/Work Release Inmates	203	794	202	177	172	504	596	644	638
Probation and Parolees	103	269	129	98	118	132	306	250	95
Municipal Commitments (Ave Daily Number)	38	208	26	40	64	67	66	72	76

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 Nine Years Ended December 31

	2014	2013	2012	2011	2010	2009	2008	2007	2006
House of Correction (cont):									
Sentenced Inmates	876	984	1,102	964	1,004	579	592	599	550
County Correctional Facility Central	935	881	817	874	909	898	896	886	878
Total Inmate Population	2,274	2,505	2,516	2,554	2,963	3,069	3,074	3,059	2,901
Electronic Surveillance	177	208	26	185	198	223	171	248	310
PUBLIC WORKS AND HIGHWAYS:									
County Trunk Highways Maintained (Lane Miles)	403	343	343	343	343	343	343	343	343
State Truck Highways Maintained (Lane Miles)	779	772	639	639	635	664	634	634	634
Expressways Maintained (Lanes Miles)	1,109	1,104	1,116	1,116	1,150	1,141	1,141	1,135	1,135
HEALTH AND HUMAN SERVICES									
Emergency Medical System:									
Dispatches	65,105	62,291	54,478	52,087	49,491	45,920	45,353	43,554	39,362
Doctor Calls	1,364	1,656	1,325	1,235	1,398	1,320	1,426	1,468	1,054
Medical Transports	27,080	26,310	25,344	22,743	21,073	20,577	21,737	21,346	20,249
Reports	43,041	41,012	39,788	33,720	31,814	30,756	31,233	30,641	26,430
Aging Programs and Services:									
Senior Meals Program:									
Congregate	264,536	281,763	289,059	264,144	325,354	346,811	373,022	374,707	376,395
Home Delivered	308,288	313,243	308,070	251,254	248,838	259,151	246,650	272,883	299,119
Volunteer Hours	54,180	60,303	66,270	65,958	74,409	74,631	82,272	started 2008	
Specialized Transportation Services One-Way Rides	118,943	122,765	120,379	119,378	123,222	125,397	105,308	117,686	122,063
Participants - Senior Centers / Senior Home Delivery	6,695	8,960	9,103	8,449	6,610	6,740	6,696	7,009	7,322
Participants - Wellness Works Program	2,471	2,916	2,467	2,836	2,124	1,274	1,144	1,148	1,077
Benefit Specialist/Legal Services (In Hours)	10,461	9,385	13,695	13,389	13,058	14,256	11,679	13,848	16,017
Employment Training and Placement Svcs (Hours)	125	135	88	95	85	95	59	2,160	2,160
Information and Assistance Contact Calls 24 Hours	882	781	757	615	520	622	517	343	343
Information Inquiries	26,150	24,163	22,925	24,825	26,605	47,399	58,743	37,387	28,302
Long Term Care Referrals/Applications Processed	6,754	6,494	5,571	5,536	5,872	10,120	6,198	6,238	6,478
Functional Screens Performed	3,580	3,368	3,161	2,812	3,178	3,188	3,056	3,146	3,104
Care and Management Organization (CMO):									
Family Care New Enrollees	1,780	1,812	1,447	1,510	1,895	1,616	1,198	1,392	1,389
Family Care Continual Enrollees	6,478	6,666	6,459	6,375	5,864	5,657	5,400	5,053	4,756
Family Care Dis-enrolled Clients	1,564	1,553	1,482	1,329	1,368	1,239	1,227	1,092	1,005
Economic Support Division:									
Interim Disability Assistance Program	947	1,083	1,165	1,237	1,187	1,417	1,495	930	950
Home Energy Assistance - Total households applied	64,562	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
Crisis Assistance - Total households estimated	21,951	-	-	-	-	-	-	-	-
Delinquency and Court Services Division:									
Detention Center:									
Staffed Capacity of Juvenile Detention	109	109	109	109	109	109	109	109	109
Average Daily Population	91	96	89	88	87	95	106	100	105
Detention Admissions (Annual)	2,158	2,518	2,855	2,773	2,753	2,912	3,143	3,356	3,507
Health Assessments/MH Screens in Detention	4,126	4,849	4,397	4,040	4,024	4,576	4,810	started 2008	

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 Nine Years Ended December 31

	2014	2013	2012	2011	2010	2009	2008	2007	2006
Court Intake and Probation Supervision:									
Annual Delinquency/JIPS Referrals	1,981	2,175	2,485	2,514	2,470	2,741	3,425	3,771	3,917
Average Monthly Intake/Probation/Diversion Cases	1,345	1,428	1,581	1,678	1,823	2,265	3,059	3,114	2,992
POSIT/Drug/Alcohol Screens	3,920	-	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	156	2,042	2,224	2,380	2,245	2,714	3,318	2,880	3,349
Diversion Restitution Payments Processed	2,011	19	29	24	36	23	12	30	39
Administrative Review Panels	19	12	70	88	189	206	254	247	241
Warrants Issued	66	751	839	686	681	721	776	791	819
Probation Orientation	805	183	618	610	548	650	741	494	started 2007
Avg Monthly Youth - Delinquency and Courts Svcs	1,345	1,482	1,581	1,678	1,823	2,265	3,059	3,114	2,992
Juveniles Served by Dept. of Corrections:									
Juvenile Commitments (Annual)	139	130	150	166	153	206	213	253	202
Average Daily Youth under Dept. of Corrections	148	140	160	151	186	235	272	265	started 2007
Juveniles Served In Community Programs:									
Temporary Shelter Care	619	784	862	780	749	780	888	982	1,110
Level II Monitoring	854	868	910	820	775	878	1,006	997	963
First Time Juvenile Offenders Program	158	187	243	251	276	376	394	395	539
Probation Network Services	540	533	365	357	387	485	516	519	517
Sex Offender Program	45	45	42	41	47	73	83	79	81
Day Treatment Program	140	138	187	174	169	168	159	192	231
Foster Care	2	1	2	3	3	2	3	7	8
Group Home Care	60	77	69	73	96	106	94	90	79
RADS	-	-	-	1	15	15	started 2009		
Wraparound	577	630	627	682	719	706	705	670	581
Serious Chronic Offender Program	241	272	140	118	106	102	91	89	60
Firearm Project Program	-	-	58	91	108	108	105	130	113
Sibling/Graduate Engagement	88	89	91	101	109	99	73	started 2008	
Focus Program	69	59	72	71	76	83	80	77	101
ACE - Alternatives to Corrections Through Education	-	-	-	-	1	1	started 2009		
Milwaukee County Accountability Program	36	28	13	started 2012					
Reentry Coordination and Services	87	68	63	55	27	started 2010			
Disabilities Services Division:									
Adults Served by Service Bureau	890	306	285	348	2,039	2,518	2,511	2,590	2,592
Children Served by Service Bureau	7,744	9,692	9,831	10,603	5,223	4,798	4,374	4,213	3,925
Resource Center Services	35,573	35,186	33,866	20,839	24,487	15,156	17,456	14,155	13,903
Court Related Services	771	719	802	813	730	1,550	1,736	1,471	2,198
Housing Division:									
Special Needs - Safe Haven (Persons/Year)	64	78	81	66	63	64	54	55	66
Special Needs - Shelter Plus Care (Persons/Year)	454	484	538	558	553	537	520	499	467
HOME/Home Repair - Number of New Loans	28	33	11	35	43	75	58	68	68
Behavioral Health									
Inpatient Services Branch:									
Acute Adult Inpatient:									
Average Daily Census	47	59	67	80	84	89	98	99	97
Patients Served	882	1,009	1,124	1,361	1,696	1,734	1,880	2,002	1,946
Admissions	1,093	1,456	1,650	1,846	2,254	2,336	2,528	2,729	2,713

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 Nine Years Ended December 31

	2014	2013	2012	2011	2010	2009	2008	2007	2006
Inpatient Services Branch (cont):									
Acute Adult Inpatient (cont):									
Patient Days	16,991	21,363	24,586	29,098	30,805	32,573	35,917	36,069	35,259
Average Length of Stay	16	15	16	15	15	15	14	13	13
CAIS Inpatient:									
Average Daily Census	9	8	6	8	10	9	11	11	11
Patients Served	683	606	798	950	1,241	1,103	1,171	1,147	1,156
Admissions	953	829	1,152	1,343	1,601	1,551	1,584	1,557	1,519
Patient Days	3,305	2,930	2,311	3,077	3,781	3,440	3,851	4,120	3,881
Average Length of Stay	3	4	2	2	2	2	3	3	3
Nursing Home Services - Rehabilitation Centers:									
Average Daily Census	36	111	130	131	132	131	139	133	135
Patients Served	100	110	157	165	150	153	163	164	158
Admissions	1	3	23	31	16	16	30	32	18
Patient Days	26,037	40,350	47,489	47,719	48,098	47,894	48,587	48,545	48,977
Community Services:									
Community Support Program:									
Patients Served	1,090	1,353	333	356	361	372	391	415	436
Admissions	137	133	14	35	29	10	22	30	22
Contacts (Visits)	157,031	345,159	46,957	47,453	46,657	48,515	49,810	49,203	49,728
Targeted Case Management:									
Patients Served	1,509	1,439	159	219	276	293	295	333	354
Admissions	344	364	-	11	42	61	52	54	64
Contacts (Visits)	88,407	165,105	623	8,299	8,965	9,429	9,477	11,612	12,982
Adult Day Treatment:									
Average Daily Census	10	11	17	14	13	25	18	19	17
Patients Served	39	63	64	62	67	80	100	119	139
Admissions	40	42	44	46	46	64	80	97	109
Appointments (hrs.)	13,274	-	14,576	13,008	12,031	16,061	17,133	18,321	14,278
Visits	2,926	10,328	4,497	3,582	3,479	4,468	4,623	4,972	4,379
Crisis Services:									
Psychiatric Crisis Services - Admissions	10,633	11,464	12,644	13,169	13,438	12,894	12,509	12,568	13,018
Patients Served (Access Clinic)	1,489	6,310	2,406	1,652	1,680	1,785	1,973	2,164	2,258
Admissions (Access)	1,199	1,412	2,325	1,426	1,479	1,530	1,842	1,924	2,208
Appointments (Access Clinic)	4,064	6,310	6,674	5,573	5,233	5,681	6,498	7,023	6,710
Crisis Response (Mobile):									
Patients Served	2,090	1,716	1,403	1,371	1,287	1,158	1,211	1,371	1,257
Admissions	2,090	382	1,716	1,570	1,472	1,274	1,370	1,510	1,387
Appointments	2,010	2,211	1,517	1,405	1,473	1,392	1,405	1,645	1,628
Crisis Respite:									
Patients Served	329	1,716	1,403	1,371	1,287	1,158	1,211	1,371	1,257
Admissions	386	382	1,716	1,570	1,472	1,274	1,370	1,510	1,387
Alcohol and Other Drug Abuse Services:									
Methadone Detox	159	232	143	148	74	183	199	199	196
Inpatient Care (Detox)	5,556	1,918	3,162	2,813	3,360	3,542	3,477	3,517	3,599
Intake Assessments	4,443	3,973	6,334	4,860	5,153	4,727	4,235	5,712	8,120
Outpatient	2,084	2,574	3,734	3,331	3,171	3,112	2,717	3,268	4,854

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 Nine Years Ended December 31

	2014	2013	2012	2011	2010	2009	2008	2007	2006
Alcohol and Other Drug Abuse Services (cont):									
Day Treatment	243	458	557	688	683	903	729	785	1,499
Day Treatment - Residential	591	490	656	711	708	727	774	701	1,191
Community Living Support Services	2,526	-	6,604	6,069	6,341	5,709	4,407	2,478	5,473
Recovery House Plus op/DT	169	162	360	321	334	197	144	32	7
Wraparound Milwaukee:									
Average Census	967	1,212	1,059	945	942	905	841	679	680
Patients Served	3,347	2,627	3,246	3,400	3,521	3,492	2,904	3,240	2,449
Admissions	1,029	993	1,171	874	898	829	874	692	586
Patient Contacts	4,497	4,270	3,506	4,165	7,432	4,376	4,616	3,400	4,493
Hospital Diversions	809	754	961	1,404	1,511	1,236	1,244	800	1,005
PARKS, RECREATION, AND CULTURE									
Zoo:									
Zoo Attendance - Adults	380,478	372,548	387,308	367,234	379,418	383,982	434,754	419,486	423,417
Zoo Attendance - Junior	163,298	173,960	159,736	168,637	185,729	186,930	206,743	209,847	217,978
Zoo Attendance - Free	723,580	686,391	785,351	697,348	701,168	720,330	672,786	668,508	662,688
Zoo Attendance - Total	1,267,356	1,232,899	1,332,395	1,233,219	1,266,315	1,291,242	1,314,283	1,297,841	1,304,083
Parks:									
Facilities Rentals:									
Picnic with/without Shelters	3,217	3,202	3,178	3,029	2,960	3,089	2,910	3,551	3,892
Buildings	2,109	2,204	1,872	1,744	2,085	1,998	2,033	2,264	2,769
Lodges	92	90	83	53	45	27	102	115	178
Pools Rentals	70	56	40	39	49	41	61	65	76
Marina Slip Rentals	641	638	635	664	659	644	677	683	679
Special Event Permits	634	571	360	339	272	267	259	243	273
Rounds of Golf	273,443	278,353	314,715	288,953	315,455	302,262	302,067	333,142	347,067
Pool Attendance	206,336	261,371	352,134	321,749	348,547	251,447	204,199	265,770	283,475
BUSINESS - TYPE ACTIVITIES									
Transit/Para Transit:									
Buses Assigned	405	396	415	416	415	483	483	483	483
Buses Operated	331	333	333	341	333	394	392	431	431
Bus Miles Traveled	17,457,798	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	1,345,689	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	33,222,519	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	557,272	544,357	572,146	876,494	572,146	1,170,456	1,121,848	1,091,823	1,032,970
Airport:									
Passengers Served	6,554,152	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	7	8	8	9	10	12	12	12	12
Runways	5	5	5	5	5	5	5	5	5
Acreage	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386
Daily Departures/Arrivals	269	282	320	431	479	422	451	486	490
Aircraft Operations	113,248	119,549	133,366	173,017	191,553	169,693	183,278	244,836	255,515
Revenue Landing Weight (in 1,000 lbs.)	4,389,521	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.)	143,884	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 Nine Years Ended December 31

	2014	2013	2012	2011	2010	2009	2008	2007	2006
LEGISLATIVE, EXECUTIVE AND STAFF									
County Board:									
Vehicles - Cars, Vans, SUVs, Pickup Trucks	-	1	1	-	-	-	-	-	-
Office for Persons with Disabilities:									
Vehicles - Cars, Vans, SUVs, Pickup Trucks	1	1	1	1	1	1	1	1	1
Information Management Services:									
Vehicles - Cars, Vans, SUVs, Pickup Trucks	2	2	2	3	3	3	3	3	1
General (1):									
Buildings	4	4	4	4	4	4	4	4	4
Facilities Management (2):									
Buildings	6	6	6	-	-	-	-	-	-
Electrical Substation	2	2	2	-	-	-	-	-	-
Loaders and Attachments	3	2	3	-	-	-	-	-	-
Mowers and Attachments	13	9	7	-	-	-	-	-	-
Pump House	1	1	1	-	-	-	-	-	-
Snow Plows and Attachments	10	11	12	-	-	-	-	-	-
Spreaders and Attachments	5	5	5	-	-	-	-	-	-
Sweepers, Cleaners and Attachments	3	3	3	-	-	-	-	-	-
Tractors	1	1	2	-	-	-	-	-	-
Trucks - over 13,000 lb. gross vehicle weight	2	2	2	-	-	-	-	-	-
Vehicles - Cars, Vans, SUVs, Pickup Trucks	34	34	34	-	-	-	-	-	-
Water Towers and Reservoirs	6	5	5	-	-	-	-	-	-
PUBLIC SAFETY									
Medical Examiner:									
Vehicles - Cars, Vans, SUVs, Pickup Trucks	3	3	3	3	5	5	5	5	5
District Attorney:									
Vehicles - Cars, Vans, SUVs, Pickup Trucks	17	12	11	16	19	19	19	18	18
Sheriff:									
Ambulance	3	2	2	2	1	1	1	1	1
Bomb Trucks	2	1	1	1	1	1	1	1	1
Generator	1	1	1	1	1	1	1	1	1
Squad Cars	77	86	84	93	80	71	69	62	60
Vehicles - Cars, Vans, SUVs, Pickup Trucks	92	91	99	99	98	99	103	103	101
House of Correction:									
Barn --- (note silos below) (6)	-	-	1	1	1	1	1	1	1
Buildings	10	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	2
Garages	1	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	2
Pump Houses	2	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	2
Miscellaneous Equipment	5	3	3	3	3	3	3	3	3

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 Nine Years Ended December 31

	2014	2013	2012	2011	2010	2009	2008	2007	2006
House of Correction (cont.):									
Mowers and Attachments	3	3	3	3	3	3	3	3	3
Spreaders	1	1	1	1	1	1	1	1	1
Tractors	5	6	6	6	6	6	6	6	6
Trailers	-	1	1	1	1	1	1	1	1
Vehicles - Cars, Vans, SUVs, Pickup Trucks	39	36	35	40	40	43	44	44	44
Warehouses, Storage Buildings and Sheds	4	4	12	12	12	12	12	12	12
Water Towers	1	1	1	1	1	1	1	1	1
PUBLIC WORKS AND HIGHWAYS (2):									
Aerial Lifts and Buckets	6	8	7	9	6	6	6	6	6
Air Compressors	12	11	11	11	11	11	11	11	11
Asphalting Equipment	14	13	13	16	16	15	16	16	16
Buildings	1	1	1	9	9	9	9	9	9
Cranes and Attachments	9	6	6	5	5	5	5	5	5
Fork Lifts and Attachments	9	9	9	8	8	8	9	9	9
Garages	7	7	7	7	7	7	7	7	7
Liquid Calcium Applicators	40	41	49	54	63	64	49	43	39
Loaders and Attachments	12	12	11	17	20	24	24	21	21
Mowers and Attachments	27	27	27	40	39	41	39	39	39
Other Miscellaneous Road Working Equipment	41	41	17	16	16	16	13	13	13
Snow Plows and Attachments	174	175	187	186	213	193	204	187	176
Spreaders and Attachments	74	76	91	99	133	113	115	109	105
Sweepers, Cleaners and Attachments	15	15	16	21	20	21	23	23	23
Tractors	13	13	12	18	17	18	21	21	21
Trailers	10	10	-	-	-	-	-	-	-
Trucks - over 13,000 lb. gross vehicle weight	93	93	100	119	133	125	102	96	92
Vehicles - Cars, Vans, SUVs, Pickup Trucks	29	35	29	72	140	86	81	71	68
Water Pumps and Tanks	6	7	8	8	8	8	9	9	9
Warehouses, Storage Buildings and Sheds	14	14	14	14	14	14	14	14	14
HEALTH & HUMAN SERVICES:									
Buildings (4)	12	13	13	8	8	8	7	7	2
Recreational Centers	2	2	2	2	2	2	2	2	2
Senior Centers	5	6	6	6	6	6	6	6	6
Sheds	3	3	3	3	3	3	3	3	2
Vehicles - Cars, Vans, SUVs, Pickup Trucks	19	22	24	29	33	34	34	34	24
Wading Pools	1	1	1	1	1	1	1	1	1
Wheelchair Accessible Vans	-	-	-	1	1	1	1	1	1
PARKS, RECREATION AND CULTURE									
Parks:									
Air Compressors	2	1	-	-	-	-	-	-	-
Asphalting Equipment	2	3	-	-	-	-	-	-	-
Band Shells and Amphitheater	4	3	3	3	3	3	3	3	3
Barns (6)	1	1	-	-	-	-	-	-	-
Barns and Silos (6)	6	6	5	5	5	5	5	5	5
Bathhouses	15	15	15	15	15	15	16	14	14
Bathhouse / Pavilions	29	29	27	27	27	27	27	27	27
Boat Launches	1	1	1	3	3	3	3	3	3
Boathouses	3	3	3	4	3	3	3	3	3
Booths	14	14	14	14	14	14	14	14	14
Buildings	134	133	132	131	131	128	128	128	128
Chicken Coops (6)	1	1	-	-	-	-	-	-	-
Comfort Stations	28	28	27	27	27	27	27	27	27
Community Centers	3	2	3	3	3	3	3	2	2

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 Nine Years Ended December 31

	2014	2013	2012	2011	2010	2009	2008	2007	2006
Parks (cont.):									
Concession Stands	7	7	4	4	4	4	4	5	5
Creamery (6)	1	1	-	-	-	-	-	-	-
Dam and Dam Dugout	2	2	2	2	2	2	2	2	2
Gazebos	4	4	3	3	3	3	2	2	2
Golf Clubhouses	13	13	14	15	15	15	15	15	15
Golf Courses	15	15	15	15	15	15	15	15	15
Golf Dome	1	1	1	1	1	1	1	1	1
Greenhouse	1	1	1	-	-	-	-	-	-
Harvesters	8	8	8	7	7	7	7	7	7
Hoppers	5	5	5	5	5	5	5	5	5
Houses and Lodges	11	11	11	11	11	11	11	13	13
Indoor Baseball Facilities	1	1	1	1	1	1	1	1	1
Kennels (6)	1	1	-	-	-	-	-	-	-
Lighthouse	1	1	1	1	1	1	1	1	1
Loaders and Attachments	15	20	21	24	25	27	27	27	27
Miscellaneous Equipment	41	38	41	51	54	54	56	55	52
Mowers and Attachments (7)	450	134	107	72	78	58	61	27	25
Nature Preserves and Gardens	4	4	4	4	4	4	4	4	4
Parking Structures & Garages	9	8	8	8	8	8	8	8	8
Parks and Parkways (3)	156	157	156	147	147	147	147	147	147
Pavilions	32	32	30	30	30	30	30	30	30
Pools	14	14	15	15	15	15	18	18	18
Pump Houses	13	12	11	11	11	11	9	9	9
Recreation Buildings	4	4	4	4	4	4	4	4	4
Scooters	14	14	14	17	17	20	20	20	19
Shelters	34	34	32	32	32	32	32	35	35
Ski Chalets	1	1	1	1	1	1	1	1	1
Snow Plows, Equipment and Attachments	118	131	130	129	113	109	118	118	118
Spreaders and Attachments	65	65	67	67	58	50	50	50	50
Storage Containers	5	5	5	5	5	5	5	5	5
Storage Sheds	105	103	106	107	107	107	107	101	101
Sweepers	5	6	6	6	6	6	7	7	7
Tractors	3	3	4	18	16	18	16	14	13
Trailers	10	10	10	8	8	8	8	8	8
Trucks - over 13,000 lb. gross vehicle weight	29	28	29	29	24	28	32	31	31
Vehicles - Cars, Vans, SUVs, Pickup Trucks	135	136	136	138	147	142	149	150	150
Wading Pools	36	36	36	36	36	36	38	36	36
Walkway Bridge	1	1	1	1	1	1	1	1	1
Warehouses (6)	1	1	-	-	-	-	-	-	-
Water Playgrounds & Splash Pads	5	5	5	5	5	5	5	5	5
Weed Sprayers and Attachments	24	24	24	24	24	24	23	23	23
Zoo:									
Animal Dens	4	4	4	4	4	4	4	4	4
Animal Exhibits	6	6	6	6	6	6	6	5	5
Animal Islands	1	1	1	1	1	1	1	1	1
Animal Overlooks	2	2	2	2	2	2	2	2	2
Animal Petting Rings	1	1	1	1	1	1	1	1	1
Aviaries and Pheasantries	5	5	5	5	5	5	5	5	5
Barns	12	12	12	12	12	12	12	10	10
Boat Landings	1	1	1	1	1	1	1	1	1
Booths	16	16	16	16	16	16	16	16	16
Buildings	35	36	36	36	36	36	36	32	32
Carousels	1	1	1	1	1	1	1	1	1
Catch Basin Cleaner	1	1	1	1	1	1	1	1	1

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 Nine Years Ended December 31

	2014	2013	2012	2011	2010	2009	2008	2007	2006
Zoo (cont.):									
Chick Hatchery	1	1	1	1	1	1	1	1	1
Clubhouses	1	1	1	1	1	1	1	1	1
Comfort / Concession Stations	8	8	8	8	8	8	8	8	8
Electrical Substation	1	1	1	1	1	1	1	1	1
Entrance Kiosks	3	3	3	3	3	3	3	3	3
Farm Entry Structures	1	1	1	1	1	1	1	1	1
Garages	1	1	1	1	1	1	1	1	1
Gazebos	3	3	3	3	3	3	3	3	3
Loaders and Attachments	3	2	2	4	3	3	3	3	3
Mowers and Attachments	2	-	-	-	-	-	-	-	-
Observation Decks	2	2	2	2	2	2	2	1	1
Parking Lot	1	1	1	1	1	1	1	1	1
Photovoltaic Solar Systems	1	2	2	2	2	2	2	2	2
Pools	1	1	1	1	1	1	1	2	2
Pump Houses	2	2	2	2	2	2	2	1	1
Roadway Sweeper	1	1	1	1	1	1	1	1	1
Sheds	7	7	7	7	7	7	7	8	8
Shelters	4	4	4	4	4	4	4	4	4
Snow Plows	10	7	7	8	8	6	5	5	4
Spreaders and Attachments	3	3	3	3	3	3	4	4	3
Stages	2	2	2	2	2	2	2	2	2
Standalone Bleachers	2	2	2	2	2	2	2	2	2
Storage Containers	7	7	7	7	7	7	7	7	7
Theaters with Bleachers	2	2	2	2	2	2	2	2	2
Train Depot and Crossing Shacks	4	4	4	4	4	4	4	4	4
Train Locomotive Engines	4	4	4	4	4	4	4	4	4
Trucks - over 13,000 lb. gross vehicle weight	2	2	2	2	2	3	3	3	3
Vehicles - Cars, Vans, SUVs, Pickup Trucks	22	21	22	18	22	28	29	29	26
Wishing Well	1	1	1	1	1	1	1	1	1
BUSINESS - TYPE ACTIVITIES									
Transit / Para Transit:									
Buildings	16	16	16	16	16	16	16	16	16
Bus Waiting Stations	3	3	3	3	3	4	4	4	4
Sheds	1	1	1	1	1	1	1	1	1
Shelters	11	-	2	2	2	2	2	2	2
Airport:									
Air Traffic Control Towers	2	2	2	2	2	2	2	2	2
Buildings - (5)	73	72	73	73	46	46	45	46	46
Bus / Lot Shelters	8	8	8	8	8	8	8	6	8
Cargo Carriers	3	3	3	3	3	3	3	2	2
Combo Units	12	12	12	12	12	12	2	-	-
Crash and Rescue Facility	1	1	1	1	1	1	1	1	1
Entrance / Exit Helix	2	2	2	2	2	2	2	2	2
Fire Trucks	5	5	5	5	5	5	6	4	4
Hangars	16	12	16	16	25	25	25	25	25
Hydrant Fuel System	1	1	1	1	1	1	1	1	1
Kennels	1	1	1	1	2	2	2	2	2
Liquid Calcium Applicators	4	4	4	4	4	4	4	4	4
Loaders and Attachments	21	21	21	22	22	22	24	20	20
Miscellaneous Equipment	34	32	33	20	15	11	9	9	8
Mowers and Attachments	33	32	28	26	26	25	24	21	21
Parking Structures	1	1	1	1	1	1	1	1	1
Pump Houses	2	4	2	2	2	2	2	2	2

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 Nine Years Ended December 31

	2014	2013	2012	2011	2010	2009	2008	2007	2006
Airport (cont.):									
Remote Transmitter	1	1	1	1	1	1	1	1	1
Runway Brooms, Sweepers and Attachments	15	14	13	11	10	10	11	11	11
Snow Plows and Attachments	53	53	51	52	54	50	44	43	37
Spreaders, Deicers, Salters and Attachments	18	18	18	18	19	19	19	18	18
Surface Friction Tester	1	1	1	1	1	1	1	1	1
Taxi Stop Boxes	1	1	1	1	1	1	1	1	1
Teller Boxes	3	3	3	3	3	3	3	3	3
Terminals and Concourses	5	5	5	5	5	5	5	5	5
Toll Booths	12	12	12	12	12	12	12	12	12
Tractors	7	7	7	7	7	8	9	9	9
Trailers	3	4	4	2	1	1	1	1	1
Trucks - over 13,000 lb. gross vehicle weight	36	36	36	32	32	34	32	31	27
Vehicles - Cars, Vans, SUVs, Pickup Trucks	77	71	69	70	63	50	47	46	37
Warehouses, Storage Buildings and Sheds - (5)	53	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.

APPENDIX B

FORMS OF LEGAL OPINIONS OF CO-BOND COUNSEL

Proposed Form of Opinion
of Co-Bond Counsel (2015A Bonds)

(To be dated the date of issuance)

Re: Milwaukee County, Wisconsin ("Issuer")
$31,655,000 General Obligation Corporate Purpose Bonds, Series 2015A,
dated November 12, 2015 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on October 1 of each year, in the years and principal amounts as follows:

Year	Principal Amount	Interest Rate
2016	$1,380,000	2.00%
2017	1,385,000	2.00
2018	1,385,000	2.00
2019	1,395,000	2.00
2020	2,380,000	2.00
2021	2,380,000	2.00
2022	2,380,000	2.00
2023	2,380,000	2.00
2024	2,370,000	3.00
2025	2,370,000	3.00
2026	2,370,000	3.00
2027	2,370,000	3.00
2028	2,370,000	3.00
2029	2,370,000	3.00
2030	2,370,000	3.00

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2016.

The Bonds maturing on October 1, 2025 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on October 1, 2024 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.

3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Bonds is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Proposed Form of Opinion
of Co-Bond Counsel (2015B Bonds)

(To be dated the date of issuance)

Re: Milwaukee County, Wisconsin ("Issuer")
$14,680,000 General Obligation Refunding Bonds, Series 2015B,
dated November 12, 2015 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on October 1 of each year, in the years and principal amounts as follows:

Year	Principal Amount	Interest Rate
2016	$2,625,000	2.00%
2017	2,520,000	2.00
2018	2,455,000	2.00
2019	2,395,000	3.00
2020	2,350,000	3.00
2021	2,335,000	3.00

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2016.

The Bonds are not subject to optional redemption.

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.

3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Bonds is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

APPENDIX C

FORMS OF CONTINUING DISCLOSURE CERTIFICATES

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Milwaukee County, Wisconsin (the "Issuer") in connection with the issuance of $31,655,000 General Obligation Corporate Purpose Bonds, Series 2015A, dated November 12, 2015 (the "Securities"). The Securities are being issued pursuant to Resolutions adopted by the Governing Body of the Issuer on February 5, 2015, July 30, 2015 and September 24, 2015 (collectively, the "Resolution") and delivered to Robert W. Baird & Co. Incorporated (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the final Official Statement dated October 14, 2015 delivered in connection with the Securities, which is available from the MSRB.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the County Board of Supervisors of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means Milwaukee County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Capital Finance Manager of the Issuer who can be contacted at the Office of the Comptroller, Milwaukee County Courthouse, Room 301, 901 North Ninth Street, Milwaukee, Wisconsin 53233, phone (414) 278-4396, fax (414) 223-1245.

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 270 days after the end of the Fiscal Year, commencing with the year that ends December 31, 2015, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

DEBT STRUCTURE - General Obligation Debt by Issue
FINANCIAL INFORMATION - Equalized Value Trends
FINANCIAL INFORMATION - Property Tax Levies and Collections
FINANCIAL INFORMATION - Property Tax Rates for County Levies
FINANCIAL INFORMATION - Five-Year Summary of Revenues, Expenditures and Changes in Fund Balance - General Fund

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

7. Modification to rights of holders of the Securities, if material;

8. Securities calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but

subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Material Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Material Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Material Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings to violate the Rule. The provisions of this Disclosure Certificate constituting the Undertaking or any provision hereof, shall be null and void in the event that the Issuer delivers to the MSRB an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Securities. The provisions of this Disclosure Certificate constituting the Undertaking may be amended without the consent of the holders of the Securities, but only upon the delivery by the Issuer to the MSRB of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Disclosure Certificate and by the Issuer with the Rule.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 12th day of November, 2015.

_____
Chairman of the County Board

_____
County Clerk

Approved as to Form:

_____
Corporation Counsel

Countersigned:

_____
County Executive

_____
Comptroller

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Milwaukee County, Wisconsin (the "Issuer") in connection with the issuance of $14,680,000 General Obligation Refunding Bonds, Series 2015B, dated November 12, 2015 (the "Securities"). The Securities are being issued pursuant to a Resolution adopted by the Governing Body of the Issuer on February 5, 2015 (the "Resolution") and delivered to Citigroup Global Markets Inc. (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the final Official Statement dated October 14, 2015 delivered in connection with the Securities, which is available from the MSRB.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the County Board of Supervisors of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means Milwaukee County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Capital Finance Manager of the Issuer who can be contacted at the Office of the Comptroller, Milwaukee County Courthouse, Room 301, 901 North Ninth Street, Milwaukee, Wisconsin 53233, phone (414) 278-4396, fax (414) 223-1245.

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 270 days after the end of the Fiscal Year, commencing with the year that ends December 31, 2015, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

DEBT STRUCTURE - General Obligation Debt by Issue
FINANCIAL INFORMATION - Equalized Value Trends
FINANCIAL INFORMATION - Property Tax Levies and Collections
FINANCIAL INFORMATION - Property Tax Rates for County Levies
FINANCIAL INFORMATION - Five-Year Summary of Revenues, Expenditures and Changes in Fund Balance - General Fund

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

7. Modification to rights of holders of the Securities, if material;

8. Securities calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has

been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Material Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Material Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Material Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings to violate the Rule. The provisions of this Disclosure Certificate constituting the Undertaking or any provision hereof, shall be null and void in the event that the Issuer delivers to the MSRB an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Securities. The provisions of this Disclosure Certificate constituting the Undertaking may be amended without the consent of the holders of the Securities, but only upon the delivery by the Issuer to the MSRB of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Disclosure Certificate and by the Issuer with the Rule.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 12th day of November, 2015.

_____
Chairman of the County Board

_____
County Clerk

Approved as to Form:

_____
Corporation Counsel

Countersigned:

_____
County Executive

_____
Comptroller