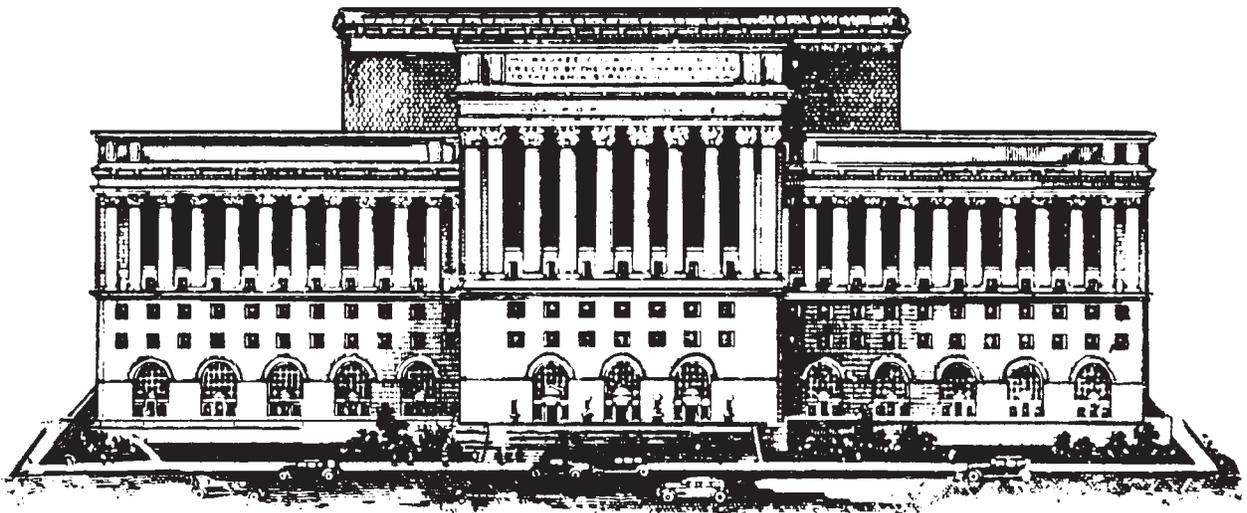


**COUNTY OF
MILWAUKEE, WISCONSIN**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008**

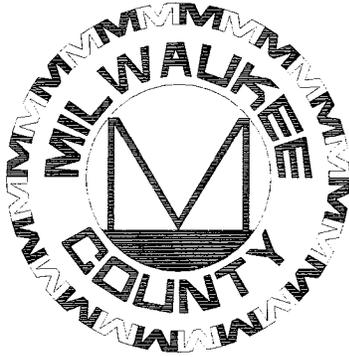
COMPREHENSIVE ANNUAL FINANCIAL REPORT

COUNTY OF MILWAUKEE

WISCONSIN

FOR THE YEAR ENDED DECEMBER 31, 2008

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



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**COUNTY OF MILWAUKEE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended December 31, 2008**

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COUNTY OF MILWAUKEE

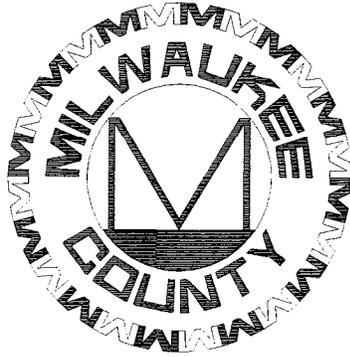
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INTRODUCTORY SECTION

- **Letter of Transmittal**
- **Certificate of Achievement for Excellence in
Financial Reporting**
- **Organizational Chart**
- **List of Elected and Appointed Officials**



MILWAUKEE COUNTY EXECUTIVE SCOTT WALKER

Milwaukee County

DEPARTMENT OF ADMINISTRATIVE SERVICES

CYNTHIA ARCHER, DIRECTOR

STEVEN R. KREKLOW, FISCAL AND BUDGET ADMINISTRATOR

July 23, 2009

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

A) COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):

CAFR Overview

The Comprehensive Annual Financial Report (CAFR) of Milwaukee County, Wisconsin (the County) for the year ended December 31, 2008 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 organization chart, and a list of the County's principal elected and appointed officials. It is designed to give the reader of the financial report some basic background information about the County.

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

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

Financial Section Overview

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

- 1) **Management's Discussion and Analysis** - a narrative report providing financial information about the County. Readers of this report are encouraged to read the Management's Discussion and Analysis (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**
 - a) **Government-Wide Financial Statements** - government-wide financial statements, consisting of a statement of net assets and a statement of activities, provide a comprehensive financial picture of the County, split between governmental activities and business-type activities. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting, where all assets, liabilities, revenues, and expenses of the County are reported. Internal service funds are combined with governmental activities for presentation purposes.

 - b) **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 revised adopted budget, and the actual expenditures and revenues for the County's general fund. The governmental funds are prepared and presented on the modified accrual basis of accounting. The proprietary funds are prepared on an accrual basis of accounting. With the governmental funds having a different basis of accounting between the government-wide financial statements and the fund financial statements, a schedule is provided that reconciles these accounting differences. The reconciliation provides a bridge between governmental activities on the statement of net assets with the governmental funds on the balance sheet and the governmental funds net change in fund balances on the statement of activities with the governmental funds statement of revenues, expenditures and changes in fund balances. The proprietary funds statement reports on each of the enterprise

funds and includes a separate column that combines all internal service funds.

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

Component Units

This Comprehensive Annual Financial Report (CAFR) includes the funds of the primary government and the following discrete component units: the War Memorial Center, the Milwaukee Public Museum, 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.

B) GOVERNMENTAL STRUCTURE AND TYPES OF SERVICES

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

Milwaukee County was the first county in the State to establish an executive branch. A County Executive and a 19-member Board of Supervisors govern Milwaukee County. The County Executive and the County Supervisors are elected to nonpartisan four-year terms. Each Supervisor is elected from a district with an average population

of approximately 49,000. In addition, six constitutional officers are elected to serve two-year terms on a partisan basis. The Sheriff is elected to serve a four-year term on a partisan basis.

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

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

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

C) ECONOMIC CONDITION AND OUTLOOK

Milwaukee County serves as the population, economic and financial center of the State. The City of Milwaukee, which acts as the County seat, contains approximately 64 percent of the County's population and 48 percent of its taxable property value.

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 17 state highways. Reconstruction of the Marquette Interchange-the heart of the southeastern Wisconsin freeway system- was finished in 2008 and major reconstruction on I-94 from Milwaukee to Illinois is expected to begin in 2009.

Freight service is provided to other metropolitan areas by numerous trucking establishments and two major railroads, the Union Pacific and Canadian Pacific. Passenger rail service is available from Amtrak and national and inter-city bus lines serve Milwaukee County. Milwaukee is also a major Great Lakes port. During 2008, the Port of Milwaukee handled approximately 3.1 million tons of materials. Major commodities included in this tonnage were coal, salt, grain and cement. Port traffic from 2004 to 2008 increased 23 percent in comparison to traffic from 1999 to 2003.

Innovation Fuels, a New York-based renewable fuel company that manufactures, markets and distributes biodiesel fuel to customers around the world, recently acquired a 310,000 barrel (43,000 metric tons) capacity terminal located on ten acres in the Port of Milwaukee. This facility will be used for the sale and distribution of biodiesel and other renewable fuels into and out of the Midwest. The Port is also home to Lake Express, which operates a high-speed auto/passenger ferry service between Milwaukee and Muskegon, Michigan.

Like many urban areas in the Northeast and Midwest, the regional economy is transitioning towards a service-based economy. While the Milwaukee metropolitan area is well known as a manufacturing center, manufacturing employment has declined by 13.4 percent from 2001 to 2006 and total employment in the Milwaukee region declined by only 1.8 percent during the same time period. Sectors demonstrating the highest growth in employment in recent years are education, health, leisure and hospitality, and professional and business services. The growth of employment in the service sectors combined with the decline in manufacturing employment, suggests that the area economy is making its moving towards a service-based economy.

According to the first quarter business outlook survey by the Metropolitan Milwaukee Association of Commerce (MMAC), Milwaukee area businesses have indicated limited expectations toward growth prospects in 2009. Thirty-two percent of businesses surveyed see sales increases in 2009, 32 percent predict profit gains, 26 percent expect employment growth for their local operations and 31 percent expect no change in employment.

While the national economy has experienced declining employment rates, the County's seasonal unadjusted employment rates remained relatively stable throughout most of 2008. Monthly unadjusted unemployment rates during 2008 fluctuated between 4.9 percent and 6.5 percent. The average annual unemployment rate for Milwaukee County through December 2008 was 5.9 percent compared to the national average of 6.5 percent. This also represents a 0.1 percent decrease from last year's rate.

According to the Wisconsin Department of Administration, Demographic Services Center, Milwaukee County's population for 2008 totaled 938,490, a decrease of approximately 1.3 percent from the 2007 population estimate.

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

D) MAJOR INITIATIVES BY CLASSIFICATION

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

Governmental Activities

- 1) **Legislative, Executive, and Staff** consists of the following areas, the County Board, the Office of Community Business Development Partners, the Department of Audit, the County Executive, the Department of Administrative Services, the Office for Persons with Disabilities, Veterans Services, the Civil Service Commission, the Personnel Review Board, the Ethics Board, Procurement and Corporation Counsel.

The Department of Administrative Services includes Fiscal Affairs, Economic and Community Development, Human Resources, Employee Benefits and Labor Relations. In 2007, Human Resources was divided into three separate divisions: Human Resources for recruiting and centralized human resource management, Labor Relations for the negotiation and administration of collective bargaining agreements, and Employee Benefits for the management and cost containment of employee health, dental, and life insurance programs and administration of the County pension plan. In 2008 the Employee Benefits Division initiated an employee wellness and disease management program that targets services and assistance to high-end health care users in an effort to further contain costs and improve overall employee health and productivity.

The Risk Management Division and the Information Management Services Division are also under the Department of Administrative Services for management purposes. These divisions are reported as internal service funds. They are consolidated into the governmental activities in the Government-wide Financial Statements and are included in the proprietary funds in the Fund Financial Statements.

- 2) **Courts and Judiciary** consists of Combined Court Related Operations and the Department of Child Support Enforcement. State and other non-tax revenues support approximately 59.7 percent of the cost of the Courts function. The balance of the costs is funded with County tax levy dollars.

The Combined Court Related Operations consists of County Funded State Court Services Division, the Family Court Commissioner Division, the Register in Probate Division, and the Clerk of Circuit Courts. The County Funded State Court Services Division is the first judicial administrative district of the State Court System and has 47 judges and

22 court commissioners. The Family Court Commissioner Division is the legal extension of the Family Court Branch of the Circuit Court. This division conducts formal hearings in matters relating to marriage and actions affecting the family including matters related to domestic abuse and harassment. It also includes the Family Court Mediation Services Unit. The Register in Probate Division maintains the records and files of all 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 Clerk of Circuit Courts 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. The Clerk of Circuit Court is also the Director of Court Services. This position summons the eligible jurors for the County-funded State Court System.

The Department of Child Support Enforcement is required by Title IV-D of the Social Security Act to provide services to locate parents, establish paternity, enforce and establish child support and medical support orders. The department monitors approximately 141,000 cases annually for the establishment and enforcement of child support obligations and maintains family court orders on the statewide support computer system.

- 3) **General Governmental Services** consists of the separately elected positions of the County Treasurer, the Register of Deeds, and the County Clerk, and their associated staff and related costs. The Election Commission is also included in this category. The County Treasurer invests County funds, handles cash receipts and disbursements, and collects delinquent property taxes. In 2008, the County Treasurer's Office implemented an online tax payment system. Recent state legislation has expanded TRIP to include the collection of delinquent property taxes. During 2009, the County Treasurer's office expects to reactivate this aggressive method of collecting delinquent property tax payments. The Register of Deeds records, indexes and optically scans real estate documents, files and indexes birth, marriage and death certificates, and sells copies of the documents recorded and filed within the department. In addition this department reviews tax descriptions, assigns new tax key numbers due to real estate boundary changes and maintains plat books and property records. The County Clerk records the proceedings of the County Board of Supervisors, produces an index of ordinances and resolutions presented to the Board, issues marriage licenses, animal licenses and passports, processes garnishment actions, tax liens and wage assignment of County employees and assists the County Treasurer in signing all County checks. The Election Commission handles all matters related to the election process within Milwaukee County.

- 4) **Public Safety** consists of the Office of the Sheriff, District Attorney's Office, Medical Examiner and the House of Correction.

The Office of the Sheriff is responsible for law enforcement, the safety and security of citizens and protection of property throughout the County. The Sheriff is a separately elected position within Milwaukee County. The Office of the Sheriff acts as an arm of the criminal justice system. In addition to providing detention services, the Office of the Sheriff provides bailiff services, security at the Airport, and patrols for County parks and expressways.

The District Attorney's Office plans, organizes, and prosecutes all criminal, juvenile and applicable ordinance violations in Milwaukee County. The District Attorney is a separately elected official of Milwaukee County. The District Attorney's Office also administers numerous federal and state funded grant programs that enhance the public safety of Milwaukee County residents.

The Medical Examiner investigates all deaths in which there are unexplained, unusual or suspicious circumstances such as homicides, suicides, accidental deaths, and all deaths in which there is no physician in attendance.

The House of Correction (HOC) receives and maintains custody of all sentenced prisoners in Milwaukee County for periods not exceeding one year. The House of Correction also provides programs of work release, rehabilitation, education, work, recreation and training. The division also processes and considers applications for parole. HOC operates a home detention program using electronic surveillance equipment and other systems of control.

- 5) **Public Works and Highways** in the General Fund consists of the Department of Transportation and Public Works (DTPW), Highway Maintenance, and Director's Office.

County-wide, the Department of Transportation and Public Works administers two County airports; the transit/paratransit system, transportation planning and engineering services; architectural, engineering and environmental services; highway maintenance; fleet management; and facilities management. DTPW is responsible for the maintenance of buildings and grounds owned by Milwaukee County. In 2008, the department was instrumental in the implementation of the Guaranteed Energy Savings Performance Contract pilot project to improve the County's energy efficiency. Participating departments' utility costs were reduced by approximately \$ 0.2 million in 2008. Highway

Maintenance maintains sixty-eight mile of freeways, ninety-nine centerline miles of state trunk highways and approximately eighty-seven centerline miles of county truck highways.

As stated above Fleet Management; Architectural, Engineering and Environmental Services; Transportation Services; and Facilities Management are under the Department of Transportation and Public Works for management purposes and are considered to be internal service funds of the County. These four internal services funds are consolidated into one fund for reporting purposes and are identified in the Comprehensive Annual Financial Report as "Public Works Services". The Public Works Services fund is reported as part of the governmental activities in the Government-wide Financial Statements and as part of the proprietary funds in the Fund Financial Statements.

- 6) **Health and Human Services** in the General Fund consists of the Department on Aging, the Department on Aging – Care Maintenance Organization, the Department of Health and Human Services (DHHS), DHHS – Behavioral Health Division and the DHHS - County Health Programs.

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 youth, persons who are developmentally disabled, physically disabled, mentally ill, homeless, and those in need of financial assistance. Many of the services provided are mandated by State Statute and/or provided through a State/County contract. The Department of Health and Human Services consists of eight service areas including the divisions of Economic Support, Delinquency and Court Services, Disabilities Services, Housing, and Management Services. The Economic Support Division, which assists eligible people in obtaining Food Share (formerly called Food Stamps), Medical Assistance (Title 19) and child day care benefits. The division is also responsible for administering the State's BadgerCare Plus health program and specialized financial assistance programs. The Delinquency and Court Services Division provides custodial intake services, administers a wide range of juvenile justice programs and provides support staff for the operation of the Children's Court. This division operates a Juvenile Detention Center and also administers the following programs oriented to alleged and adjudicated delinquent youth: pre-dispositional secure/non-secure out-of-home placements, the First Time Offender program, post-dispositional placements, probation, and programs that are designed to divert youth from placement in state correctional facilities. The Disabilities Services Division provides human services that are targeted at populations with special needs, including

adults and children with physical and developmental disabilities and individuals who are homeless or experiencing a housing crisis. Services provided include case management for long-term support, residential services, work and day services, community treatment, community support, adult day care, fiscal agent services and service access and prevention. The services administered by this division allow these persons to live in the community and avoid institutional placement. The Division utilizes a Resource Center format to serve these clients. The Housing 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 HUD 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 program which assists clients in finding affordable housing and provides rent subsidies; and HOME/Home Repair, which provides low or no interest loans to low-income persons for home repairs and improvements. The Management Services Division provides contract administration, accounting and business support to the other DHHS divisions.

The Department on Aging plans and provides for the growing needs of Milwaukee County's large and diverse older adult population. Services are provided through the Department of Aging under the divisions of Area Agency Services, and Resource Center. Area Agency Services provides a network of support services to the aging population including the Senior Meal Program, contacts for 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 Resource Center serves as an information clearinghouse, provides eligibility assessments for person seeking assistance in any departmental program and acts as a point of entry for the Family Care Program.

The Care Management Organization (CMO) is a separately budgeted division of the Department on Aging. The County is required to maintain a separate and distinct accounting for this division under the State's Family Care program. The CMO is designed to provide an appropriate mix of community-based care and direct services through the State of Wisconsin's Family Care Program to prevent the inappropriate and costly institutionalization of older adults. The State's Family Care Program replaces the state's numerous long-term support programs with a single integrated long-term care entitlement program. Under Family Care, the CMO coordinates all long-term care services, including home and community based services and institutional services for

eligible elders in Milwaukee County who require publicly funded long term care services. The majority of the CMO program revenue represents a capitated rate payment per member per month from the State. The capitated rate payment is adjusted on an annual basis after an actuarial review of costs. Forty percent of client service costs of the CMO are controlled by Medicaid rate rules. The remaining sixty percent, which is not covered by Medicaid rates, is based on rates established by the department or by contracts with providers. Due to the capitated rate payment, the CMO is required to maintain reserves against potential cost deficits. These reserves were fully funded at the end of 2008. At the end of 2008 the program had approximately 6,598 clients.

The Department of Health and Human Services - 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 DHHS-BHD encompasses inpatient care (both short term and extended), 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 Service branch provides both mental health and alcohol and other drug addiction services through contracts with community service providers or at community clinics.

The County Health Programs (CHP) division develops, implements and evaluates programs related to improving or providing for the health of Milwaukee County citizens and visitors. CHP creates and maintains innovative, high quality, community-based service through a variety of partnerships by utilizing a systematic approach for service integration and delivery. CHP is comprised of three areas of service: Administration, Emergency Medical Services (EMS) Program (Paramedics), and General Assistance Medical Program (GAMP). EMS (Paramedics) supports the provision of paramedic services in Milwaukee County. GAMP is the County's health care financing/delivery system for medically indigent persons residing within Milwaukee County. Local hospital systems and other care providers treat GAMP eligible clients and submit billings for services, through a third party administrator. Hospitals receive an interim cash settlement from the County for services, until the State of Wisconsin provides reimbursement under State and Federal funding programs.

- 7) **Parks, Recreation and Culture** includes the Department of Parks, Recreation and Culture, the Zoological Department, Milwaukee County University Extension Service and funding for the Milwaukee Public Museum. The Department of Parks, Recreation and Culture administers and operates the Milwaukee County Park System that includes 15,000 acres and encompasses 153 parks and parkways. The Parks System operates 15 golf courses, numerous athletic fields, numerous facilities for indoor and outdoor swimming, two family aquatic parks, two splash pads, 37 wading pools, an indoor ice arena, a sports complex, two public marinas, two community centers, a 100-mile recreational bike trail, a horticultural facility, a nature center and a botanical garden. The Zoological Department operates a zoo on a 200-acre site in western Milwaukee County. The Zoo's collection and exhibits are acquired with the assistance of private funding.

Business-type Activities:

- 1) The **Airports** are an enterprise fund that is classified as a business-type activity in the Government-wide financial statements. Milwaukee County operates two airports: General Mitchell International Airport (GMIA) and Lawrence J. Timmerman Airport. User fees support both of these airports. Airport administrative, maintenance and operational cost reimbursement are guaranteed through contractual agreements with the major airline carriers serving GMIA. Growth in flights and passenger traffic from GMIA, over the past several years has led to the need for additional parking at the Airport. Milwaukee County issued \$ 83.6 million of revenue bonds in 2000 for the building of an addition to the existing parking structure. These were the first revenue bonds issued by the County. The parking revenues were estimated to be sufficient to pay the bonds, but the bonds were also supported by the signatory airline lease agreements. In subsequent years, the County issued revenue bonds to fund improvements to the C and D concourses, finish the parking structure, repair the Bus/Limousine Queue area, remodel the E concourse stem and GMIA baggage claim area. Security measures put in place after the events of September 11, 2001 will continue for the foreseeable future. Security costs represent 11.6 percent of the Airports 2008 budget.
- 2) The **Milwaukee County Transit/Paratransit System** is an enterprise fund activity that is managed by Milwaukee Transport Services, Inc.; a private, non-profit corporation. The corporation uses facilities and equipment owned and provided by the County to transport passengers by bus to various locations within the County. The Paratransit system is also operated by Milwaukee Transport Services. The Paratransit system provides transportation using private vendors for passengers who meet the paratransit eligibility requirements. As stated above under Public Works and Highways, the County's Department of Transportation and Public Works (DTPW) administers both the transit and paratransit systems. DTPW

also oversees and administers federal and state capital grants for the transit system. DTPW - Transportation Services Division, an internal services fund, assists with the acquisition of capital equipment and facilities.

Countywide Financial Activities

- 1) **Employee Benefits:** In response to the concerns raised about the increased level of benefits that were granted to employees and elected officials in 2001, the County Board voted in February 2002 to change certain benefits. The 2002 changes included the level of payout at retirement for earned sick leave benefits for non-represented positions. Depending on hire date, sick leave at retirement is either paid in cash or is used to buy retiree health insurance. Between 2005 and 2007, union labor agreements were negotiated to reduce future *cash payouts* at retirement for sick leave earned. Prior to the change, all employees were entitled to full payout at retirement of earned sick leave benefits. Sick leave for union members credited at retirement for retiree *health insurance payments* is generally still credited at 100 percent.

The benefit enhancements, accelerated retirement rate, and investment losses have caused a severe strain on the County's unfunded pension liability and pension expense. In 2001 and 2002, the County was contributing \$ 2.65 million and \$ 2.58 million respectively, to the Employee Retirement System (ERS). For 2004, 2005, and 2006, the County contributed \$ 35.1 million, \$ 37.8 million and \$ 27.4 million, respectively to ERS. The 2006 contribution was below an actuarial recommended contribution of \$ 45.9 million, based on an 8.0 percent rate of return on investments. The 2007 contribution was \$ 49.3 million, which approximated the actuarial contribution requirement. The 2008 contribution was \$ 39.3 million, which was \$ 13.8 million short of the actuarial recommended contribution. Pension costs are expected to continue to increase.

In 2008, legislative approval was received that authorizes the County to issue pension obligations bonds to help fund its rising pension obligation costs. In March 2009, the County issued \$ 265 million of Taxable General Obligation Pension Promissory Notes, Series 2009A and \$135 million of Taxable Pension Notes, Series 2009B. The bonds are being used to fund a portion of the County's unfunded prior service liability for its Employees' Retirement System and are intended to stabilize the County's annual contribution levels to the ERS.

The County has begun to successfully reduce certain pension benefits and contracts with most County unions effective in 2005. The contracts include the elimination of the pension eligibility Rule of 75 and the pension backdrop program.

The County has aggressively moved to control the growth in employee health care costs. Some of the steps taken have been to move to a self-insured health plan and negotiate changes to health care deductibles and co-payments. Under the self-insured plan, which is accompanied by a stop-loss provision, the County is better able to control its costs versus the contracted rates under the fully insured health care option. The impact of these changes has resulted in a material decrease in the rate of health care cost increases for the period from 2006 to 2008 of four percent, zero percent and eight percent respectively.

B) FINANCIAL INFORMATION

Internal Accounting Controls

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

Milwaukee County's internal control structure is supported by written policies and procedures. It is continually reviewed, evaluated and modified to meet current needs. This internal control structure is strengthened by the Milwaukee County Department of Audit. Under Milwaukee County Ordinances and Wisconsin Statutes, the Department of Audit is an extension of the legislative branch of Milwaukee County and provides the County Board of Supervisors with consistent independent review of County operations. The Department of Audit is responsible for overseeing the external audit of the financial statements, reviews of internal accounting controls, administrative controls, compliance with applicable laws and regulations, economic efficiency of operations, and effectiveness in achieving program results. The Department of Audit performs audits in accordance with generally accepted government auditing standards.

Budgetary Process

Milwaukee County has an executive budget process for the preparation of the annual operating and capital budgets. The Fiscal Affairs Division of the Department of Administrative Services provides the technical assistance required by the County Executive to review budget requests submitted by County departments and agencies. The Fiscal Affairs Division compiles departmental budget requests, along with non-departmental revenue projections, debt service 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 Finance and Audit Committee reviews the County Executive's budget at public meetings. On the Monday following its regularly scheduled meeting on the first Thursday in November, the County Board acts on the amendments and recommendations submitted by the Finance and Audit Committee, as well as amendments submitted by individual Board members. The County Board adopts a final budget, subject to any vetoes by the County Executive, and levies taxes to support the adopted budget.

Budgetary Controls

Budgetary control is maintained by a formal appropriation and encumbrance system. Encumbrances are made against appropriations prior to the release of a purchase order to a vendor, or prior to the issuance of a check when a liability is incurred without a purchase order. Liabilities that exceed appropriation balances are not paid until an increased appropriation is made available.

During the year, departments may request transfers of appropriated dollars between departments or from an unallocated contingency budget. All such transfers require the approval of the County Board and County Executive. If a transfer is to be made within a department, approval of the transfer may not require County Board and County Executive approval.

Encumbered appropriations 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. Expenditures are then recorded when the services or materials are received.

For County capital projects, any unencumbered appropriations and the associated unrecorded revenue that is still available at the end of the year may be "carried over" to the subsequent year. A report of unappropriated budget dollars and unrecorded revenues are reported to the County Board by capital project number. The County Board and County Executive will then review the report and make any modifications to "capital carryover" requests. The final result is the establishment of a carryover reserve for capital projects. Similar to encumbrance reserves, these reserves are restored to the departmental appropriation account and revenue budget in the following year.

County Tax Rate Limit

Section 59.605 of the Wisconsin Statutes imposed a property tax rate limit on Wisconsin counties, effective August 12, 1993. Separate limits were imposed for operating levy rates and debt service levy rates. The baseline for the rate limit was the 1992 actual levy rate adopted for the 1993 budget. Reductions in State shared

revenues and transportation aid are among the penalties established by State Statutes for failing to meet the operating and debt service limit requirements.

The property tax rate established for general County operating purposes and special administrative levies, as part of the 1993 adopted budget, was \$ 4.08 per \$ 1,000 of equalized value. The maximum rate may only be increased if services are transferred between governmental units (transfers to other governmental units reduce the maximum rate), or if a referendum is approved by a majority of local electors to allow for an increase in the maximum rate. For 2008, the operating tax rate was \$ 3.05 per \$ 1,000 of equalized value.

The County adopted a debt levy rate of \$ 1.42 per \$ 1,000 of equalized value as part of the 1993 budget. The conditions under which the debt service rate may be increased include: 1) a referendum is held that approves the debt issuance; 2) the County Board of Supervisors adopts a resolution that sets forth its reasonable expectation that the issuance of the debt will not cause the County to increase the debt levy rate; 3) the issuance of the debt was authorized by an initial resolution adopted prior to the effective date of the rate limit; 4) the debt is issued for certain specified purposes, including financing regional projects under Section 67.05 (7)(f); 5) the debt is issued to fund or refund outstanding municipal obligations; or 6) the County Board of Supervisors adopts an initial resolution authorizing the issuance of the debt by a vote of at least three-fourths of the members-elect of the County Board. In accordance with the conditions outlined above, the County levied a debt levy rate of \$ 0.83 per \$ 1,000 of equalized value for the 2008 budget.

The rate limit also prohibits borrowing for "operating expenses". The statute defines "operating expenses" as "wages, salaries, fringe benefits, materials, supplies, contractual services, equipment with a useful life of less than one year and other costs specified by the Department of Revenue by rule".

Debt Administration

The Finance and Audit Committee of the County Board monitors all anticipated borrowing plans of the County on a continuing basis. In 1994, Milwaukee County revised existing policies and established new policies that directly and indirectly affected its borrowing practices. Some of the changes included the development of guidelines for maximum debt burdens, modifications to the procedures for accepting competitive bids, and the maximum length of maturity. In addition, the County Board has adopted policies limiting the amount of corporate purpose bonds issued by the County to finance capital projects. Under this policy, corporate purpose bond issuance could not exceed a maximum of \$ 30 million starting with fiscal year 2008 and in each subsequent fiscal year could be increased by no more than three percent over the principal amount of the preceding year's issue. This cap only applies to corporate purpose bonds that finance the capital improvements program; it does not apply to other debt issued by the County.

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, 2008, the County had \$ 437.3 million of general obligation debt, representing 12.8 percent of the \$ 3.4 billion debt limit. The debt limit is based upon equalized value of County property of \$ 68.1 billion.

Approximately 89.0 percent of the County's general purpose obligations will be retired within ten years. County general purpose obligations do not include revenue bonds issued by the County with respect to the airports. For 2008, total debt of the County, which includes general purpose and Airport revenue bond obligations, was \$ 614.0 million. As of December 31, 2008, approximately \$ 181.7 million or 29.6 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 has maintained its ratings from Fitch IBCA, Moody's Investors Service, and Standard & Poor's Corporation on general obligation bond issues. Any explanations of the significance of ratings may be obtained from the rating agencies.

Fitch IBCA
AA

Moody's Investors Service
Aa3

Standard & Poor's
AA

In September 2003, the County authorized, but did not issue, general obligation promissory notes in the principal amount of \$14.2 million pursuant to the Credit Assistance agreement with a local company. These promissory notes would be issued in the event that the company defaults on Industrial Revenue Bonds issued within the last ten years to construct maintenance facilities for the company. In return for the credit assistance, the County obtained a mortgage on these maintenance facilities and \$ 4.9 million of debt reserves. Community Development Block Grant funds, for economic development, from the State of Wisconsin provided \$ 4.0 million of the reserve funds. These reserve funds accrue interest and total \$ 5.9 million as of December 31, 2008.

In 2004, the County provided a guarantee totaling \$ 1.0 million of a \$ 3.2 million loan for a non-profit corporation. The loan was used for the purchase of a building. This guarantee is now at \$ 0.2 million, based on terms of the original agreement.

On June 1, 2008, the County issued \$ 30.860 million of General Obligation Corporate Purpose Bonds. These bonds were used for various County capital improvement projects including highways and bridges, park improvements, building improvements and vehicles.

Cash Management and Investment Policies

Milwaukee County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The County may purchase investment securities at prevailing market rates as allowed by Wisconsin State Statutes (S.66.0603(1m)) and Milwaukee County Ordinance. 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 State Statutes, the County does not directly invest in securities maturing more than ten years from the date of purchase. County policy requires that direct investment in public depository institutions and securities is further limited to a maximum investment, per institution of \$ 0.5 million at one time, unless an acceptable form of collateral, surety, or other guarantee exists assuring the principal repayment to the County. The County's investment policy limits the use of reverse repurchase agreements to transactions with commercial banks located in the State of Wisconsin to a period of time no longer than 14 days. The County enters into reverse repurchase agreements for cash flow purposes only.

The Pension Trust fund's available cash is held separately by an external trustee and is invested in various types of investments deemed appropriate by the Pension Board.

Risk Management

As stated in Note 10 in the notes to the financial statements, 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, loss control, and insurance-related activities of the County and its employees. The Risk Management Fund minimizes risk through the use of various risk control strategies. The County is self-insured for worker's compensation. County management believes that assets of the Risk Management Fund together with the commercial insurance companies' coverage will be adequate to meet insurance claims as they come due.

Pension Trust Fund Operations

The Pension Trust Fund ("Retirement System") accounts for the activities of the Employees' Retirement System ("ERS") and the OBRA 1990 Retirement System ("OBRA"). The ERS is a non-contributory single employer defined benefit pension plan that covers substantially all of its full-time employees. The OBRA (Omnibus Budget Reconciliation Act) 1990 Retirement System is a non-contributory single employer defined benefit pension plan that covers the County's seasonal and certain temporary employees (see Note 15 to the financial statements). For investment purposes, assets of OBRA are commingled with the assets of the ERS. A complete financial report of the Retirement System is available from the Pension Board that includes financial statements and required supplementary information.

Long-term Financial Planning

In January 2009, the Department of Administrative Services purchased forecasting software and related consulting services. County staff from various divisions participated in developing the forecasting model and the key financial assumptions. Ten years of historical data was analyzed to assist in developing the assumptions. Forecasting methods include regression, use of specific data where available, and use of historical average annual changes. Each year, the actual data will be updated and assumptions will be refined. Standard forecasting schedules will be updated and provided to policy makers on a regular basis. The forecasting data will also be used during budget development to provide policy makers with information regarding the long-term financial impact of budget decisions. The initial forecasting model is expected to be completed by the end of July 2009.

C) OTHER INFORMATION

Independent Audit

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

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

The audit was performed to provide reasonable assurance that the financial statements are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2008 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of the CAFR.

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the year ended December 31, 2007. This was the twenty-ninth consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

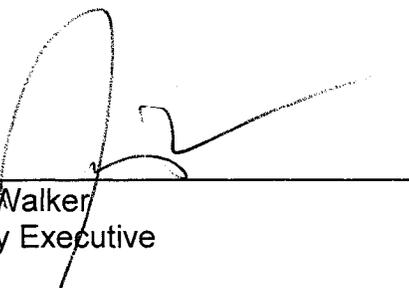
Acknowledgements

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

Respectfully submitted,



Steven R. Kreklow, Fiscal and Budget Administrator
Department of Administrative Services



Scott Walker
County Executive

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Milwaukee
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



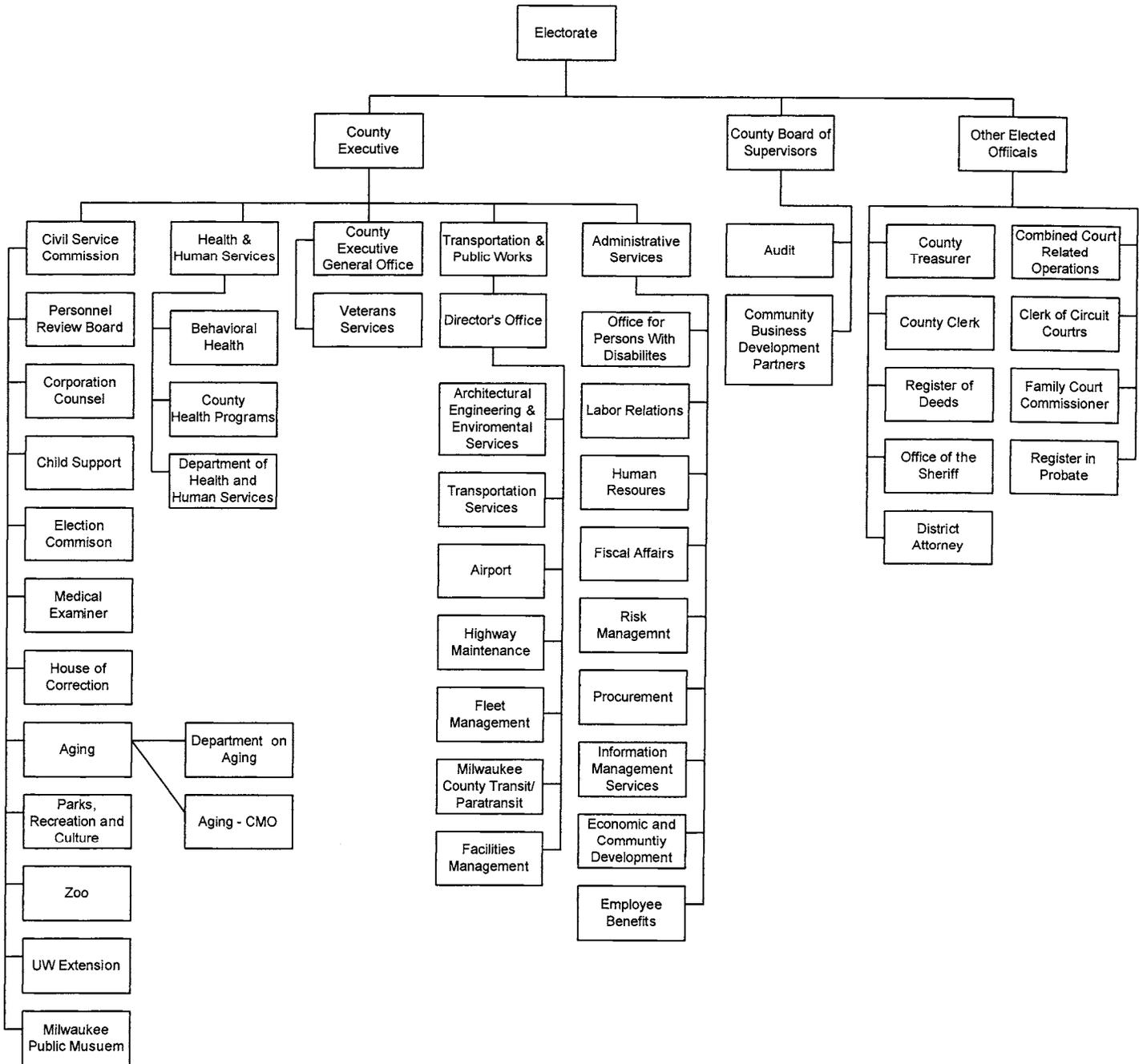
A handwritten signature in black ink, appearing to read "M. L. R. M.", written in a cursive style.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", written in a cursive style.

Executive Director

COUNTY OF MILWAUKEE ORGANIZATIONAL CHART 2008



COUNTY OF MILWAUKEE
LIST OF PRINCIPAL OFFICIALS

ELECTED

County Executive	-	Scott Walker
County Treasurer	-	Daniel Diliberti
District Attorney	-	John T. Chisholm
County Clerk	-	Mark Ryan
Clerk of Courts	-	John Barrett
Sheriff	-	David A. Clarke Jr.
Register of Deeds	-	John La Fave

Supervisors and Their District by Number

1- Theodore A. Lipscomb	11- Mark A. Borkowski
2- Toni M. Clark	12- Peggy West
3- Gerry P. Broderick	13- Willie Johnson, Jr.
4- Marina Dimitrijevic	14- Christopher J. Larson
5- Lee Holloway	15- Lynne D. De Bruin
6- Joseph Rice	16- John F. Weishan, Jr.
7- Michael Mayo, Sr.	17- Joe Sanfelippo
8- Patricia Jursik	18- Johnny L. Thomas
9- Paul M. Cesarz	19- Jim Schmitt
10- Elizabeth M. Coggs-Jones	

APPOINTED

<u>Departments</u>	<u>Title</u>	
Human Services	Director	Corey Hoze
Mental Health Division	Administrator	Jim Hill
Circuit Courts	Chief Judge	Kitty K. Brennan
Corporation Counsel	Corporation Counsel	William Domina
Administration	Director	Cynthia Archer
Audit	Director	Jerome Heer
Labor Relations	Director	Gregory L. Gracz
Human Resources	Director	Dr. Karen R. Jackson
Transportation and Public Works	Director	George A. Torres
Family Court Commissioner	Commissioner	Michael J. Bruch

COUNTY OF MILWAUKEE
LIST OF PRINCIPAL OFFICIALS

APPOINTED Continued

<u>Departments</u>	<u>Title</u>	
House of Correction	Superintendent	Ronald Malone
Medical Examiner	Medical Examiner	Dr. Christopher Happy
Parks, Recreation, and Culture	Parks Director	Susan Black
Register in Probate	Register in Probate	Robert R. Knoll
Zoological Department	Director	Charles Wikenhauser

FINANCIAL SECTION

- **Independent Auditors' Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Other Supplementary Information**



Baker Tilly Virchow Krause, LLP
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tel 414 777 5500
fax 414 777 5555
bakertilly.com

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Milwaukee, Wisconsin, as of and for the year ended December 31, 2008, which collectively comprise the County of Milwaukee's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Milwaukee's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Milwaukee County War Memorial Center, Inc., the Marcus Center for the Performing Arts, and the Milwaukee County Research Park Corporation, which represent 40 percent and 37 percent, respectively, of the assets and the operating revenues of the discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Milwaukee County War Memorial Center, Inc., the Marcus Center for the Performing Arts, and the Milwaukee County Research Park Corporation, is based on the reports of the other auditors.

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

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, 2008, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

As described in Note 1, the County of Milwaukee has implemented Governmental Accounting Standards Board Statement No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*, as of December 31, 2008.

In accordance with *Government Auditing Standards*, we have issued our report dated July 23, 2009 on our consideration of the County of Milwaukee's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and other required supplementary information as listed on the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Milwaukee's basic financial statements. The combining and individual fund financial statements and schedules, 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. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The "Letter of Transmittal" and "Statistical Section" as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of Milwaukee, Wisconsin. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on such information.

Baker Tilly Vinchow Krause, LLP

Milwaukee, Wisconsin
July 23, 2009

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

This section of the County of Milwaukee's comprehensive annual financial report provides a narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2008. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

FINANCIAL HIGHLIGHTS:

Highlights for Government-wide Financial Statements

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

- The County's assets exceeded its liabilities by \$ 332,018 on a government-wide basis as of December 31, 2008. The unrestricted net assets of the County were a negative \$ (149,170).
- For the fiscal year, program and general revenues of the County's governmental activities totaled \$ 1,132,878. Expenses totaled \$ 1,185,394 including operating transfers out of \$ 16,103.
- For 2008, revenues of the County's business-type activities were \$ 247,705 including operating transfers in of \$ 16,103. Expenses totaled \$ 252,157.

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, 2008, the County's governmental funds reported combined ending fund balances of \$ 116,869, as compared to \$ 116,278 for the year ended December 31, 2007.
- As of December 31, 2008, unreserved fund balance for the General Fund was \$ 9,989 or 0.9% of total General Fund expenditures. At the end of the 2007 fiscal year the unreserved fund balance of the General Fund was \$ 8,290.

FINANCIAL HIGHLIGHTS (CONTINUED):

Highlights for Fund Financial Statements (Continued)

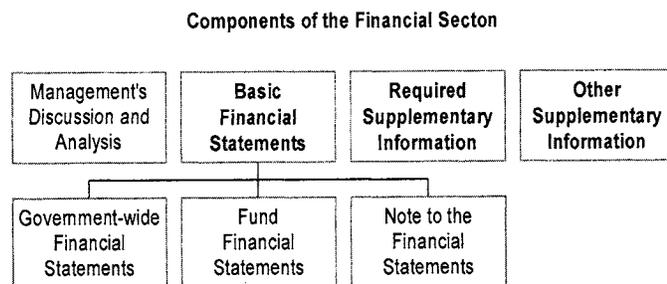
- The County's enterprise funds had combined net assets of \$ 199,145 as of December 31, 2008, compared to \$ 203,597 as of December 31, 2007.

General Financial Highlights

- In June 2008, the County issued \$ 30,860 of General Obligation Bonds to finance various capital needs.
- In January 2008, the County entered into a capital lease agreement for \$4,842 of machinery and equipment designed to improve the energy efficiency of various County facilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-wide Financial Statements

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

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

The second statement- *the statement of activities*- presents information showing how the County's net assets changed during 2008. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for not only current uses of cash flow but also for items that will result in cash flows in a future fiscal period (e.g. uncollected taxes and earned but unused vacation leave).

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

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

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

The government-wide financial statements can be found on pages 51-53 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (Continued)

Governmental funds (Continued)

The governmental fund financial statements can be found on pages 54-58 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 provided in the other supplementary financial information.

The proprietary fund financial statements can be found on pages 59-61 of this report.

Fiduciary funds

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

The County's fiduciary funds consist of a pension trust fund and agency funds. The pension trust fund is used to account for the assets held in trust by the County for the employees and beneficiaries of its defined pension plan- the Employees' Retirement System, and the OBRA Retirement System. The agency funds are used to account for monies received, held, and disbursed on behalf of the State of Wisconsin Court System.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (Continued)

Fiduciary funds (Continued)

located in the County; fee collections, as mandated by the State; social service clients; and certain other local governments.

The fiduciary fund financial statements can be found on pages 62-63 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 66-143 of this report.

Required Supplementary Information

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

Required supplementary information can be found on pages 144-148 of this report.

Other Supplementary Information.

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

Combining and individual fund statements and schedules can be found on pages 149-165 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements are provided as part of the new 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Milwaukee County, assets exceeded liabilities by \$ 332,018 at the close of the fiscal year. The County's net assets decreased for this fiscal year by \$ 56,968.

County of Milwaukee, Wisconsin

Net Assets

(In Thousands)

	Governmental Activities		Business-type Activities		Primary Government Total	
	2008	2007	2008	2007	2008	2007
	Current and Other Assets	\$ 553,945	\$ 542,452	\$ 92,393	\$ 110,524	\$ 646,338
Long-Term Assets	10,717	3,318	3,431	1,844	14,148	5,162
Capital Assets	627,221	620,693	354,458	360,292	981,679	980,985
Total Assets	1,191,883	1,166,463	450,282	472,660	1,642,165	1,639,123
Current Liabilities	497,632	481,335	45,034	50,994	542,666	532,329
Long-term Liabilities	561,378	499,739	206,103	218,069	767,481	717,808
Total Liabilities	1,059,010	981,074	251,137	269,063	1,310,147	1,250,137
Net Assets:						
Invested in Capital Assets, Net of Related Debt	222,474	207,437	177,253	182,931	399,727	390,368
Restricted	62,346	55,800	19,115	18,170	81,461	73,970
Unrestricted	(151,947)	(77,848)	2,777	2,496	(149,170)	(75,352)
Total Net Assets	\$ 132,873	\$ 185,389	\$ 199,145	\$ 203,597	\$ 332,018	\$ 388,986

The largest portion of the County's net assets reflects its investment in capital assets (e.g. land, land improvements, buildings, vehicles, equipment and infrastructure, net of depreciation and amortization) less the outstanding debt that was used to acquire those assets. For 2008, the balance of capital assets net of related debt was \$ 399,727. 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.

The restricted net assets represent resources that are subject to external restrictions on how they may be used. Restricted net assets at the end of 2008 totaled \$ 81,461. This amount is subject to external restrictions, some of which include debt service, airport

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

passenger facility charges (PFC) revenue and the airports capital projects. The airport PFC revenue is restricted for airport bond repayment and future airport capital needs.

The increase in the net assets restricted for Debt Service accounts for \$5,637 of the increase in restricted net assets. Transferring funds to the Debt Service Reserve requires County Board approval.

Unrestricted net assets represent the remaining amount of net assets that are neither related to capital assets nor are restricted for specific purposes. The unrestricted net assets were a negative \$ (149,170) at the end of 2008. The unrestricted net assets decreased by \$ 73,818 in 2008. A significant factor in this decrease was the recognition of \$ 59,488 in expenses during 2008 for other post-employment benefits (OPEB) costs as required by GASB Statement No. 45. OPEB expenses represent estimated post-retirement health care costs for current employees.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities

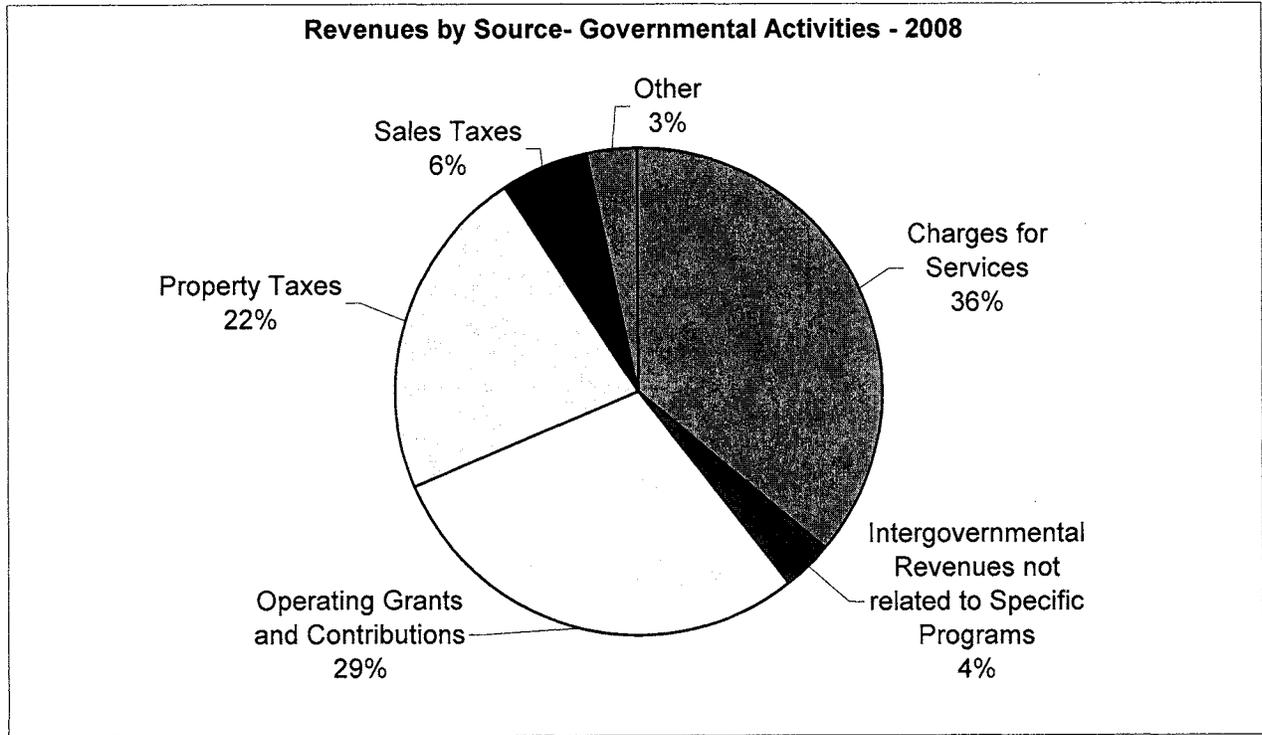
The following table provides the summary of the changes in net assets for the primary government for the fiscal years ended December 31, 2008 and 2007:

Summary of Changes in Net Assets (In Thousands)

	Governmental Activities		Business-type Activities		Primary Government Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Charges for Services	\$ 407,870	\$ 372,400	\$ 130,722	\$ 117,002	\$ 538,592	\$ 489,402
Operating Grants and Contributions	329,573	340,634	88,522	82,548	418,095	423,182
Capital Grants and Contributions	6,395	3,229	10,923	9,532	17,318	12,761
General Revenues:						
Property Taxes	251,495	243,144	-	-	251,495	243,144
Sales Taxes	67,112	63,613	-	-	67,112	63,613
Intergovernmental Revenues not Related to Specific Programs	39,734	42,387	-	-	39,734	42,387
Investment Income and Rents	13,516	16,329	1,417	2,070	14,933	18,399
Gain on Sale of Capital Assets	146	96	18	29	164	125
Other-Revenue	17,037	22,997	-	-	17,037	22,997
Total Revenues	1,132,878	1,104,829	231,602	211,181	1,364,480	1,316,010
Expenses:						
Legislative, Executive, and Staff	54,395	70,318	-	-	54,395	70,318
Courts and Judiciary	67,435	64,486	-	-	67,435	64,486
General Governmental Services	8,912	8,545	-	-	8,912	8,545
Public Safety	180,186	178,063	-	-	180,186	178,063
Public Works and Highways	81,522	80,433	-	-	81,522	80,433
Human Services	675,169	637,120	-	-	675,169	637,120
Parks, Recreation, and Culture	85,321	81,779	-	-	85,321	81,779
Other	-	6,996	-	-	-	6,996
Interest	16,351	15,964	-	-	16,351	15,964
Airport	-	-	77,432	68,401	77,432	68,401
Transit	-	-	174,725	169,557	174,725	169,557
Total Expenses	1,169,291	1,143,704	252,157	237,958	1,421,448	1,381,662
Change in Net Assets Before Transfers	(36,413)	(38,875)	(20,555)	(26,777)	(56,968)	(65,652)
Transfers	(16,103)	(19,073)	16,103	19,073	-	-
Change in Net Assets	(52,516)	(57,948)	(4,452)	(7,704)	(56,968)	(65,652)
Net Assets- Beginning of the Year	185,389	243,337	203,597	211,301	388,986	454,638
Net Assets- End of the Year	\$ 132,873	\$ 185,389	\$ 199,145	\$ 203,597	\$ 332,018	\$ 388,986

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities



Revenues for the County's governmental activities were \$ 1,132,878 for the fiscal year 2008, representing an increase of \$ 28,049, or 2.5%, over fiscal year 2007. Sources of revenue for 2008 as a percentage of total revenues are shown above. Charges for Services constitute the largest source of County revenues, amounting to \$ 407,870 for fiscal year 2008, an increase of \$ 35,470 over 2007. Charges for services represent collections from those who directly benefit from County services. Department on Aging Care Maintenance Organization (CMO) revenues from Charges for Services increased by \$ 17,138 over the prior year due to an increase in the number of participants in the CMO program and an increase in the rates charged for services. Charges for Services revenue from the County's General Assistance Medical Program (GAMP) increased \$ 17,819 from the prior year due in part to the reclassification of GAMP payments from Operating Grants and Contributions to Charges for Services.

Property tax revenue increased by \$ 8,351 over the prior year; however, property tax revenue as a percent of total governmental activity revenues remained constant at 22.0%

Operating grants and contributions continue to support a significant portion of County services with \$ 329,573 of revenue in 2008. Operating grants and contributions

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities (Continued)

generally represent federal and state grant revenues. \$ 259,845 of the 2008 operating grants and contributions supported human service programs. As stated above, the reclassification of GAMP program payments to charges for services reduced operating grants and contributions by \$ 17,819.

Other revenue decreased \$ 5,960 due primarily to the reclassification of several revenue categories from miscellaneous revenues to charges for services and operating grants and contributions. Other revenues reported in the Statement of Activities for governmental activities are significantly lower than the amount reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds. This is due to the reclassification of other revenues in the Governmental Fund statements to appropriate functional categories in the Statement of Activities.

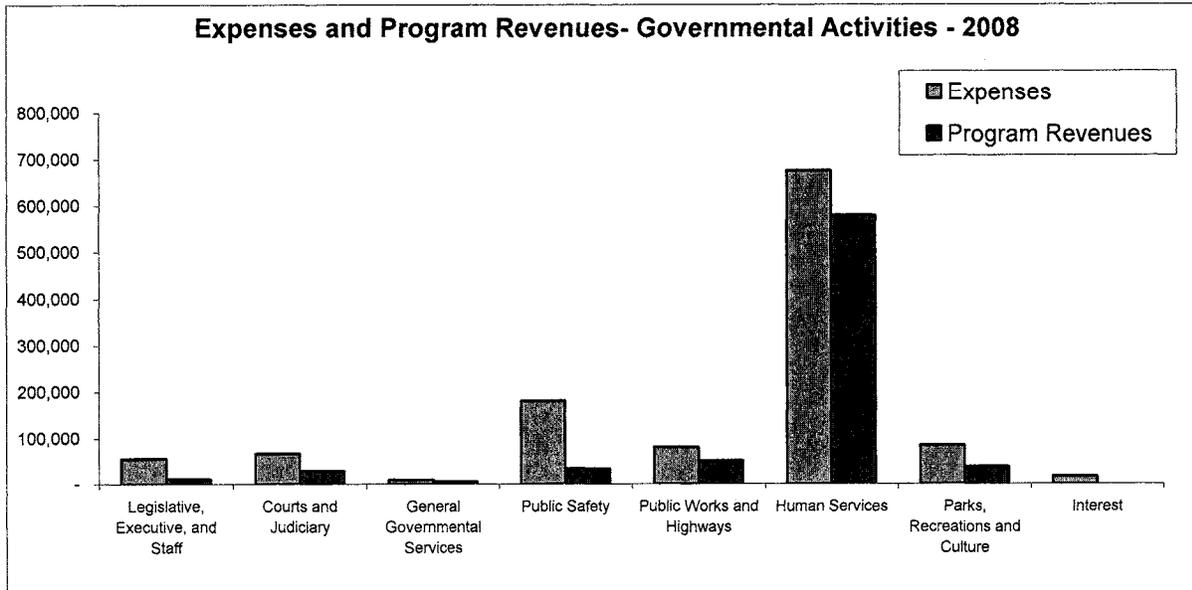
Total expenses for all of the County's governmental activities for the fiscal year 2008 were \$ 1,169,291, representing an increase of \$ 25,857 or 2.2% over 2007. As the chart below indicates, human service programs continue to represent the County's largest expense category, totaling \$ 675,169 in 2008, an increase of \$ 38,049 over 2007. In 2007, the County's Housing Division was reported as a Legislative, Executive and Staff expense. In 2008, Housing expenses were reclassified to the Human Services category accounting for \$ 17,177 of the increase in Human Services expenses and a similar decrease in Legislative, Executive and Staff expense. Aging CMO costs increased \$22,258 over the prior year due to increased participation in the program. The net tax contribution for human services in 2008 was \$ 95,412, a 2.7% decrease from 2007.

Public Safety represents the second largest expense category totaling \$ 180,186 for the operation of correctional facilities, pre-trial holding facilities, county sheriff services, the district attorney and the medical examiner. Public Safety expenses increased by \$ 2,123, or 1.2% over the prior year. The net 2008 tax contribution for Public Safety was \$ 147,083, a 3.5% decrease from the 2007.

In response to a recommendation from the Government Finance Officers Association, the County eliminated the "Other" expense category in 2008. All non-departmental expenses that had previously been reported in this category were reclassified to a functional expense category. Other expenditures are still reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds as they are considered non-departmental in nature for the County's budgeting purposes.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)



Business-type activities

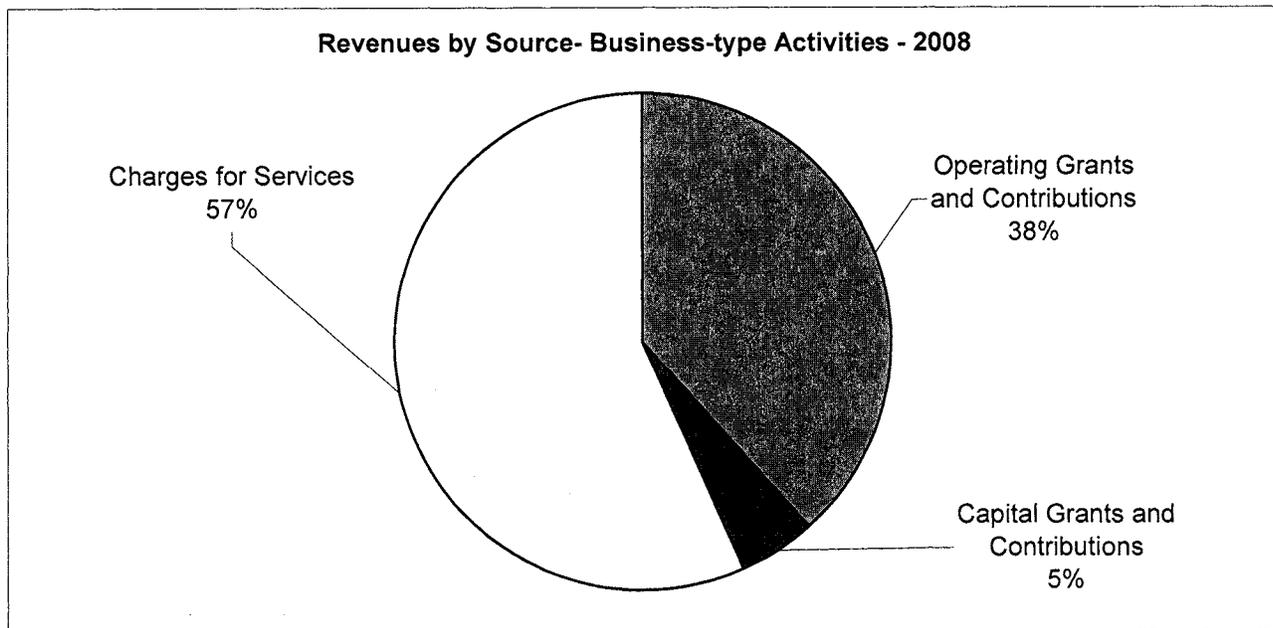
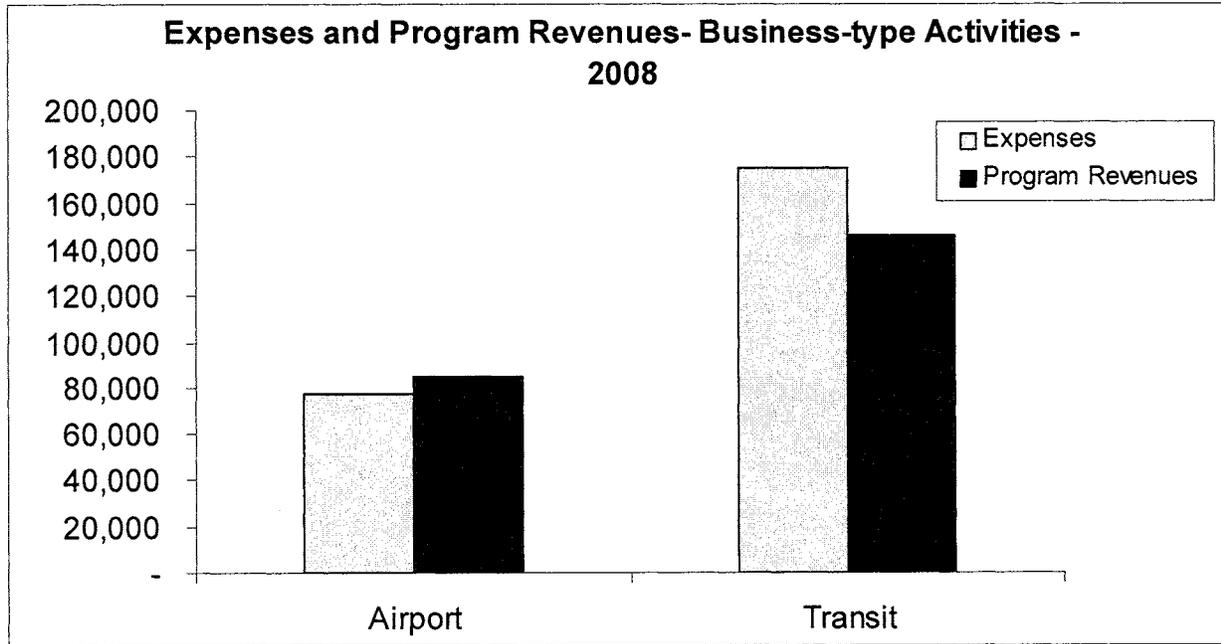
In 2008, the Airports revenue from fees charged to airlines for use of the airports, including fees received from ancillary services of the airports, exceeded its annual operating costs by \$ 5,407. Charges for Services revenue from the Airport increased by \$ 9,662, or 15.0% over the prior year. Operating transfers are negligible for the Airports.

The Transit System requires operating assistance from the governmental activities funds to balance its revenues and expenses. Total governmental activity operating support through operating transfers for the Transit System was \$ 18,764 for fiscal year 2008. Total state and federal grants for the Transit System was \$ 88,522 for 2008, an increase of \$ 6,009 over 2007. Direct support from users of the Transit System was \$ 53,315 or 30.7% of total expenses. The Transit System used federal grant funds of \$ 21,110 to purchase capital assets and pay for maintenance parts and tires. State funding of \$ 67,375 was used to cover general operating costs.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-type activities (Continued)



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds

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

As of December 31, 2008, the County's governmental funds reported combined ending fund balances of \$ 116,869. *Unreserved fund balance* of \$ 9,989 represents 8.5% of the total fund balance, which is available for spending at the County's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has been committed. The reserved fund balance consists of \$ 1,012 for inventories, \$ 20,944 for encumbrances, \$ 10,757 for debt service, \$ 7,947 for 2009 appropriations, \$ 4,144 for 2010 appropriations, \$ 9,344 for the Behavioral Health Division, \$ 6,142 for the Department of Aging Care Maintenance Organization, \$ 10,487 for delinquent property taxes, and \$ 36,103 for endowments, bequests, restricted donations, and restricted user fees.

Restricted user fees are Airport passenger facilities charges (PFC) collected by airlines that are restricted for revenue bond debt and or future capital needs of the Airports. These fees are recorded in the non-major governmental funds. The general, debt service, and capital projects funds are reported as major funds.

The general fund is the chief operating fund of the County. At December 31, 2008, unreserved fund balance of the general fund was \$ 9,989 while total fund balance was \$ 49,070. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 0.9% of total fund expenditures, while total fund balance represents 4.3% of that same amount.

The fund balance of the County's general fund increased by \$ 796 during the 2008 fiscal year. Cost saving measures, an increase in the amount designated for delinquent property taxes, and an increase in the amount designated for investments contributed to the increase in fund balance.

The debt service fund has a total fund balance of \$ 10,757 all of which is reserved for the payment of debt service. The net increase in the debt service reserve for the current year was \$ 4,686. The reserve was used in 2007 for debt service interest costs, but was replenished with a \$ 7,125 transfer from the general fund as approved by the County Board.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (CONTINUED)

Governmental funds (Continued)

The capital projects fund has a total fund balance of \$ 11,595 all of which is reserved for commitments made on capital projects in progress. The net decrease in fund balance during the current year in the capital projects fund was \$ 6,388. The fund balance decreased in 2008 due to County expenditures of prior years' bond proceeds.

Proprietary funds.

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of 2008, unrestricted net assets of the two major funds, the Airports and the Transit System, totaled \$ 2,777. Total net assets of these same two major funds were \$ 199,145 at the end of 2008, compared to \$ 203,597 at the end of 2007. The total net assets for the Airports increased by \$ 5,917 while total net assets for the Transit System decreased by \$ 10,369.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund
Statement of Revenues, Expenditures and Changes in Net Assets - Budgetary Basis
For the Year Ending December 31, 2008
(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues and Other Sources</u>				
Taxes	\$ 317,099	\$ 317,099	\$ 318,190	\$ 1,091
Intergovernmental Revenue	360,549	376,006	355,455	(20,551)
Charges for Services	359,465	368,407	372,268	3,861
Other	50,529	55,333	45,083	(10,250)
Total	\$1,087,642	\$1,116,845	\$1,090,996	\$(25,849)
<u>Expenditures and Other Uses</u>				
Expenditures	\$1,017,840	\$1,061,887	\$1,024,112	\$ 37,775
Transfers	69,802	54,958	70,624	(15,666)
Total	\$1,087,642	\$1,116,845	\$1,094,736	\$ 22,109
Change in Fund Balance	\$ -	\$ -	\$ (3,740)	\$ (3,740)

As shown above, expenditures and other financing uses exceeded revenues and other financing sources by \$ 3,740 in the General Fund for the year ended December 31, 2008. This table is based on a budgetary basis presentation. The budgetary basis of

GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)

actual revenues and expenditures presented above differs from the combined statement of revenues, expenditures, and changes in net assets due to the inclusion of encumbrances of \$ 9,437 in expenditures offset by the inclusion of the contribution from reserves for 2008 appropriations of \$ 4,901.

Actual General Fund revenues were below the budgeted revenues by \$ 41,869 during fiscal year 2008. Variances between budget and actual amounts for taxes and intergovernmental revenues were less than 1.0% of the amount budgeted.

Intergovernmental revenues were \$ 20,551, or 5.5%, below the final budget amount for 2008. Elimination of interdepartmental charges accounts for \$10,701 of the revenue shortfall. These interdepartmental charges represent amounts charged by the County's Behavioral Health Division to the County's Department of Health and Human Services for youth wraparound services. A change in State funding for the Medical Assistance Transportation program accounts for another \$ 7,287 of the shortfall.

Other Revenues fell short of the budget by \$ 26,270, or 36.8% of the final budget amount. The elimination of interdepartmental revenues accounts for \$ 8,890 of the shortfall. The interdepartmental revenues represent amounts charged to County departments for central services including the Department of Audit, the Department of Administrative Services – Fiscal and Budget Division, and the Treasurer's Office. Revenue from sale of County-owned land was \$ 7,245 below budget in 2008. Other revenues from the House of Correction were \$ 1,831 under budget due to a delay in the expansion of the home detention program.

General Fund departmental spending was \$ 37,775, or 5.5%, below the amount budgeted while transfers to other funds exceeded the budget by \$ 15,666. The following General Fund departments were below budgeted expenditures by more than \$ 1,000 for 2008: District Attorney \$ 1,360, County Health Related Programs \$ 1,466, Department on Aging \$ 1,196, Behavioral Health Division \$ 3,533, Human Services \$ 19,711, Parks \$ 1,946, and Zoo \$ 1,105. General Fund departments that exceeded the budgeted amount by more than \$1,000 are as follows: House of Correction \$ (2,914), and Department on Aging CMO \$ (2,276).

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

There are three basic reasons for variances between the original budget and the amended budget: fund transfer requests from departments, carryover of capital outlay and the associated revenue from the prior year, and carryover of encumbrances from the prior year. The encumbrance carryover process is automatic each year, and is

GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)

authorized by Wisconsin State statute and Milwaukee County ordinance. The carryover of capital outlay and the associated revenue is also authorized by State statute and is approved by the County Board on a preliminary basis in March and finalized in April. During the fiscal year, the County Board receives fund transfer requests from departments. These transfer requests are reviewed and approved by the County Board.

The \$ 29,203 difference between the original budget revenue of \$ 1,103,662 and the final budget revenue of \$ 1,132,865 is due primarily to the following:

- An increase of \$ 4,754 from financing for performance-based lease contracts for improvement of Department of Health and Human Services (DHHS), Parks and Zoo facilities.
- Increase of \$ 8,711 in capitation reimbursement revenue to the Dept of Aging for providing Care Management Organization (CMO) services, with an offsetting decrease in revenue of \$ 275 for non-medical assistance level of services.
- Increase in revenue of \$ 750 from Milwaukee Public Museum insurance settlement regarding long-term operational and financial solvency.
- Recognition of \$ 820 in homeland security grant revenue from the Wisconsin Office of Justice Assistance.
- Increase in revenue of \$ 3,958 resulting from additional payments received from the sale of Doyne Hospital.
- Decrease in revenue of \$ 1,109 due to the lapsing of various capital projects into the debt reserve.
- An increase of \$ 12,248 in revenue based on State contract allocations for various Department of Health and Human Services (DHHS) programs.
- An increase of \$ 628 in revenue resulting from an award of damages related to the Courthouse Annex asbestos remediation project.

The difference between the original budget expenditures of \$ 1,039,178 (before transfers) and the final budget expenditures of \$ 1,083,225 (before transfers) resulted in an increased appropriation of \$ 44,047 due primarily to the following:

- Expenditure increase of \$ 4,754 for the Department of Health and Human Services (DHHS), Parks and the Zoo to finance performance based lease contracts of \$ 4,622 and staff costs of \$ 132 for the improvement of facilities.
- Expenditure increase of \$ 8,031 for the Dept of Aging CMO services, including provider rate increases of \$ 7,555, personal service costs of \$ 229, and related administrative costs of \$ 247.
- Increase of \$ 600 in expenses for the creation, maintenance and enhancement of the County's Automated Land Information System.

GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)

- Increase in funding of \$ 820 from a Homeland Security Grant to improve security at County facilities, improve bomb squad capabilities and enhance disaster recovery systems.
- Increase in Appropriation for Contingencies of \$ 604 for Workers Compensation expenses due to increased medical costs, increased severity of injuries and the resulting lost work time payments.
- Increase of \$ 798 in expenditures due to increased wages and social security costs resulting from a settlement with the Deputy Sheriff Association.
- An increase in expenditures of \$ 13,624 for various Department of Health and Human Services (DHHS) programs based on State contract allocations.

Transfers also represent the net budgeted funds to be provided by the General Fund to provide support to the remaining governmental fund departments, proprietary fund departments, and component units (original budget of \$ 69,802 and amended budget of \$ 54,958). The net contribution actually made by the General Fund to other funds was \$ 70,624. The General Fund collects all of the property tax and sales tax revenues of the County, which was \$ 318,607 for 2008. The General Fund also collected intergovernmental revenues not related to a specific program of \$ 39,734. 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 agreements and revenue bond agreements. The change in transfers between the original budget and the amended budget is due to the net changes in carryovers and encumbrances between years, and any net transfers made from the general fund to proprietary fund departments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Milwaukee County's investment in capital assets for its governmental and business-type activities as of December 31, 2008 was \$ 981,679 (net of accumulated depreciation of \$ 947,781). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, machinery, vehicles and equipment, and infrastructure and leased equipment. All infrastructure assets of the County are included in this report. The County's total investment in capital assets for the current fiscal year decreased by 0.3% (a 1.0% increase in governmental activities and a 1.4% decrease for business-type activities).

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

Major capital asset events in the current year included the following:

- Transportation and Public Works projects comprised the largest functional area of capital projects in 2008. Major projects included bridge repairs throughout the County for \$ 3,568, reconstruction on West Good Hope Road for \$ 4,486, Hampton Avenue reconstruction for \$ 1,863, and Mill Road reconstruction for \$2,458.
- Major Parks projects included the Lincoln Park Family Aquatic Center for \$ 2,288 and improvements to the Wilson Park Recreation center for \$ 1,156.
- The Airport continued improvements on its inline baggage screening system in 2008 for \$ 5,258.
- The County's Fleet Division invested \$ 8,701 in new vehicles and equipment for the Sheriff's Department, Parks and the Airport.

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
	Land	\$ 59,521	\$ 59,520	\$ 21,367	\$ 21,366	\$ 80,888
Land Improvements	114,005	109,708	60,701	55,424	174,706	165,132
Building and Improvements	305,100	307,924	208,398	205,645	513,498	513,569
Infrastructure	86,964	78,860	-	-	86,964	78,860
Machinery, Vehicles & Equipment	53,375	46,594	50,237	61,411	103,612	108,005
Construction in Progress	8,256	18,087	13,755	16,446	22,011	34,533
Total	\$ 627,221	\$ 620,693	\$ 354,458	\$ 360,292	\$ 981,679	\$ 980,985

Additional information on the County's capital assets can be found in Note 5 on pages 102-108 of this report.

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CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Long-term debt

At December 31, 2008, the County had total debt outstanding of \$ 614,076. Of this amount, \$ 437,261 comprised of general obligation bonds and \$ 176,815 of airport revenue bonds.

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
	General Obligation Bonds	\$ 410,818	\$ 422,851	\$ 26,443	\$ 29,475	\$ 437,261
Revenue Bonds	-	-	176,815	184,213	176,815	184,213
Totals	\$ 410,818	\$ 422,851	\$ 203,258	\$ 213,688	\$ 614,076	\$ 636,539

The County's total debt decreased by \$ 22,463 during the year ended December 31, 2008. This decrease is a combination of a net decrease in revenue bonds of \$ 7,398 and a net decrease in general obligation bonds of \$ 15,065. General obligation bond principal payments exceeded the proceeds received from newly issued general obligation bonds therefore general obligation debt decreased.

New general obligation bonds were issued in June 2008 for \$ 30,860 to finance the following capital projects: parks, recreation and culture \$ 11,047, highways and bridges \$ 8,333; human services \$ 1,871, public safety \$ 1,152, general government buildings and related improvements for \$ 8,457.

Additional information on the County's long-term debt can be found in Note 8 on pages 111-121 of this report.

Economic Factors and Next Year's Budget and Rates

- Milwaukee County unemployment rate decreased from 6.0% in 2007 to 5.9% in 2008. The national average unemployment rate for 2008 was 6.5%.
- Equalized value of taxable property increased to \$ 68.2 billion in 2008 from \$ 67.1 billion in 2007.

During the 2008 fiscal year, the County had a net excess of revenues over expenditures of \$ 4,144 after considering net revenue from operations and changes in reserve

Economic Factors and Next Year's Budget and Rates (Continued)

balances. This excess is identified on the governmental funds balance sheet as a Reserved for 2010 Appropriations, and will be added to the revenue of the 2010 budget.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Controller, Milwaukee County Court House, 901 North 9th Street, Room 308, Milwaukee, WI 53233.



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BASIC FINANCIAL STATEMENTS



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COUNTY OF MILWAUKEE
Statement of Net Assets
December 31, 2008
(In Thousands)

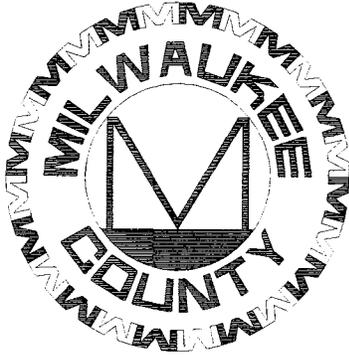
	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current Assets:				
Cash and Investments	\$ 165,634	\$ 44,800	\$ 210,434	\$ 6,397
Cash and Investments -- Restricted	40,224	28,575	68,799	-
Receivables:				
Accounts (Net of Allowances for Doubtful Accounts)	13,499	6,955	20,454	2,142
Property Taxes:				
Current Levy	258,479	-	258,479	-
Delinquent	7,195	-	7,195	-
Accrued Interest and Dividends	6,744	-	6,744	1
Notes	1,134	-	1,134	-
Other	14,339	3,493	17,832	-
Due From Other Governments	44,903	5,052	49,955	-
Inventories	1,580	2,944	4,524	63
Prepaid Items	214	316	530	325
Other Assets	-	258	258	-
Total Current Assets	<u>553,945</u>	<u>92,393</u>	<u>646,338</u>	<u>8,928</u>
Noncurrent Assets:				
Long-term Investments	-	-	-	5,492
Contributions Receivable	-	-	-	2,683
Delinquent Property Taxes	8,655	-	8,655	-
Notes Receivable	1,760	-	1,760	-
Deferred Charges	302	-	302	-
Other Post Employment Benefit Asset	-	3,431	3,431	-
Other Assets	-	-	-	615
Capital Assets (Net)				
Land	59,521	21,367	80,888	-
Construction in Progress	8,256	13,755	22,011	-
Land Improvements	241,408	151,796	393,204	-
Buildings and Improvements	645,351	343,207	988,558	38,611
Infrastructure	150,112	-	150,112	-
Machinery, Vehicles and Equipment	141,995	152,692	294,687	12,520
Less: Accumulated Depreciation	(619,422)	(328,359)	(947,781)	(21,447)
Total Capital Assets (Net)	<u>627,221</u>	<u>354,458</u>	<u>981,679</u>	<u>29,684</u>
Total Noncurrent Assets	<u>637,938</u>	<u>357,889</u>	<u>995,827</u>	<u>38,474</u>
Total Assets	<u>\$ 1,191,883</u>	<u>\$ 450,282</u>	<u>\$ 1,642,165</u>	<u>\$ 47,402</u>

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

COUNTY OF MILWAUKEE
Statement of Net Assets
December 31, 2008
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 56,046	\$ 5,049	\$ 61,095	\$ 930
Accrued Liabilities	34,347	2,736	37,083	963
Accrued Interest Payable	5,392	1,115	6,507	55
Accrued Pension Payable	39,850	-	39,850	-
Due to Other Governments	1,117	-	1,117	-
Unearned Revenues	275,812	10,786	286,598	1,631
Bonds and Notes Payable - General Obligation	44,967	3,579	48,546	378
Bonds and Notes Payable - Revenue	-	7,520	7,520	-
Net Pension Obligation	6,540	-	6,540	-
Unfunded Claims and Judgments	1,000	-	1,000	-
Landfill Postclosure Costs	395	-	395	-
Compensated Absences Payable	24,184	6,372	30,556	-
Risk Claims	7,007	5,177	12,184	-
Capital Leases	426	144	570	36
Other Current Liabilities	549	2,556	3,105	136
Accrued Pension and Postretirement Benefits	-	-	-	130
Total Current Liabilities	497,632	45,034	542,666	4,259
Noncurrent Liabilities:				
Bonds and Notes Payable - General Obligation	365,851	22,864	388,715	17,060
Bonds and Notes Payable - Revenue	-	169,295	169,295	-
Net Pension Obligation	31,826	-	31,826	-
Unfunded Claims and Judgments	19,000	-	19,000	-
Landfill Postclosure Costs	3,850	-	3,850	-
Pollution Remediation Costs	315	-	315	-
Compensated Absences Payable	27,986	6,410	34,396	-
Risk Claims	3,560	3,336	6,896	-
Other Post Employment Benefits	104,913	4,097	109,010	-
Capital Leases	4,077	101	4,178	79
Other Noncurrent Liabilities	-	-	-	1,906
Accrued Pension and Postretirement Benefits	-	-	-	8,052
Total Noncurrent Liabilities	561,378	206,103	767,481	27,097
Total Liabilities	1,059,010	251,137	1,310,147	31,356
NET ASSETS				
Unrestricted (Deficit)	(151,947)	2,777	(149,170)	(4,815)
Restricted for:				
Debt Service	10,757	14,000	24,757	-
Aging Care Maintenance Organization	6,142	-	6,142	-
Capital Asset Needs	-	5,115	5,115	-
Airport - PFC and Debt	34,082	-	34,082	-
Behavioral Health Division	9,344	-	9,344	-
Museum	-	-	-	8,321
Other	2,021	-	2,021	265
Invested in Capital Assets, Net of Related Debt	222,474	177,253	399,727	12,275
Total Net Assets	132,873	199,145	332,018	16,046
Total Liabilities and Net Assets	\$ 1,191,883	\$ 450,282	\$ 1,642,165	\$ 47,402

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



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COUNTY OF MILWAUKEE
Statement of Activities
For The Year Ended December 31, 2008
(In Thousands)

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Total
					Governmental Activities	Business-Type Activities		
Functions / Programs								
Primary Government:								
Governmental Activities:								
Legislative, Executive and Staff	\$ (54,395)	\$ 4,806	\$ 4,839	\$ 1,164	\$ (43,586)	\$ -	\$ -	
Courts and Judiciary	(67,435)	6,209	21,595	-	(39,631)	-	-	
General Governmental Services	(8,912)	5,181	247	-	(3,484)	-	-	
Public Safety	(180,186)	11,337	21,766	-	(147,083)	-	-	
Public Works and Highways	(81,522)	27,321	17,280	5,231	(31,690)	-	-	
Human Services	(675,169)	319,912	259,845	-	(95,412)	-	-	
Parks, Recreation and Culture	(85,321)	33,104	4,001	-	(48,216)	-	-	
Interest	(16,351)	-	-	-	(16,351)	-	-	
Total Governmental Activities	(1,169,291)	407,870	329,573	6,395	(425,453)	-	(425,453)	
Business-Type Activities:								
Airport	(77,432)	74,221	-	10,354	-	7,143	-	
Transit	(174,725)	56,501	88,522	569	(29,133)	-	-	
Total Business-Type Activities	(252,157)	130,722	88,522	10,923	(21,990)	-	-	
Total Primary Government	\$ (1,421,448)	\$ 538,592	\$ 418,095	\$ 17,318	(425,453)	(21,990)	(447,443)	
Component Units:								
Museum	\$ (13,782)	\$ 18,884	\$ 3,503	-	-	-	8,605	
War Memorial Center	(2,874)	312	1,748	-	-	-	(814)	
Marcus Center	(10,546)	5,995	1,280	-	-	-	(3,271)	
Research Park Corporation	(1,156)	133	-	-	-	-	(1,023)	
Total Component Units	(28,358)	25,324	6,531	-	-	-	3,497	
General Revenues:								
Property Taxes					251,495			
Sales Taxes					67,112			
Intergovernmental Revenues Not Related to Specific Program					39,734			
Investment Income					13,516	1,417	4,143	
Gain on Sale of Capital Assets					146	18	164	
Other -- Revenue					17,037	-	1,858	
Transfers					(16,103)	16,103	-	
Total General Revenues and Transfers					372,937	17,538	6,001	
Change in Net Assets					(52,516)	(4,452)	9,498	
Net Assets -- Beginning					185,389	203,597	6,548	
Net Assets -- Ending					132,873	199,145	16,046	

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

COUNTY OF MILWAUKEE
Balance Sheet
Governmental Funds
December 31, 2008
(In Thousands)

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 97,374	\$ 11,117	\$ 18,784	\$ 11,464	\$ 138,739
Cash and Investments -- Restricted	6,142	-	-	34,082	40,224
Receivables:					
Accounts (Net of Allowances for Doubtful Accounts)	12,550	50	-	-	12,600
Property Taxes:					
Current Levy	258,479	-	-	-	258,479
Delinquent	15,850	-	-	-	15,850
Accrued Interest	6,744	-	-	-	6,744
Notes Receivable	968	1,926	-	-	2,894
Other	14,230	-	109	-	14,339
Due From Other Governments	44,124	-	490	-	44,614
Inventories	1,012	-	-	-	1,012
Prepaid Items	81	-	-	-	81
Total Assets	\$ 457,554	\$ 13,093	\$ 19,383	\$ 45,546	\$ 535,576
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 46,561	\$ -	\$ 7,788	\$ 99	\$ 54,448
Accrued Liabilities	33,937	410	-	-	34,347
Accrued Pension Payable	39,850	-	-	-	39,850
Other Liabilities	549	-	-	-	549
Due to Other Governments	1,117	-	-	-	1,117
Deferred Revenues	286,470	1,926	-	-	288,396
Total Liabilities	408,484	2,336	7,788	99	418,707
Fund Balance:					
Reserved for 2009 Appropriations	7,947	-	-	-	7,947
Reserved for 2010 Appropriations	4,144	-	-	-	4,144
Reserved for Debt Service	-	10,757	-	-	10,757
Reserved for Encumbrances	9,349	-	11,595	-	20,944
Reserved for Aging Care Maintenance Organization	6,142	-	-	-	6,142
Reserved for Inventories	1,012	-	-	-	1,012
Reserved for Health and Safety	-	-	-	136	136
Reserved for Zoo	-	-	-	685	685
Reserved for Parks	-	-	-	1,072	1,072
Reserved for Persons with Disabilities	-	-	-	128	128
Reserved for Behavioral Health Division	-	-	-	9,344	9,344
Reserved for Airport - PFC and Debt	-	-	-	34,082	34,082
Reserved for Delinquent Property Tax	10,487	-	-	-	10,487
Unreserved -- Designated for Economic Development	201	-	-	-	201
Unreserved -- Designated for Housing	2,193	-	-	-	2,193
Unreserved -- Designated for Aging CMO	4,115	-	-	-	4,115
Unreserved -- Designated for Investments	3,480	-	-	-	3,480
Total Fund Balance	49,070	10,757	11,595	45,447	116,869
Total Liabilities and Fund Balance	\$ 457,554	\$ 13,093	\$ 19,383	\$ 45,546	\$ 535,576

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

COUNTY OF MILWAUKEE
 Reconciliation of the Balance Sheet
 of Governmental Funds
 to the Statement of Net Assets
 For the Year Ended December 31, 2008
 (In Thousands)

Total Fund Balances for Governmental Funds as of 12/31/08 \$ 116,869

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

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

Land	58,357
Construction in Progress	1,146
Land Improvements	230,829
Buildings and Improvements	543,031
Infrastructure	150,112
Machinery, Vehicles and Equipment	60,178
Less: Accumulated Depreciation	(475,137)

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

17,016

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

12,814

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	(368,408)
Unamortized Debt Issuance Costs	302
Capital Leases	(3,050)
Net Pension Obligation	(38,366)
Unfunded Claims and Judgments	(20,000)
Landfill Postclosure Costs	(4,245)
Pollution Remediation Costs	(315)
Compensated Absences Payable	(46,589)
Other Post Employment Benefits	(96,713)

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

(4,958)

Total Net Assets of Governmental Activities as of 12/31/08

\$ 132,873

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

COUNTY OF MILWAUKEE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For The Year Ended December 31, 2008
(In Thousands)

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Intergovernmental	\$ 355,455	\$ -	\$ 10,040	\$ -	\$ 365,495
Property Taxes	251,495	-	-	-	251,495
Sales Taxes	66,695	-	417	-	67,112
Charges for Services	367,915	-	-	11,992	379,907
Fines and Forfeits	3,375	-	-	-	3,375
Licenses and Permits	978	-	-	-	978
Investment Income and Rents	15,425	10	1,000	1,244	17,679
Other	21,203	11,180	3,267	558	36,208
Total Revenues	<u>1,082,541</u>	<u>11,190</u>	<u>14,724</u>	<u>13,794</u>	<u>1,122,249</u>
Expenditures:					
Current:					
Legislative, Executive and Staff	26,688	-	-	-	26,688
Courts and Judiciary	69,274	-	-	-	69,274
General Governmental Services	7,628	-	-	-	7,628
Public Safety	166,832	-	-	-	166,832
Public Works and Highways	17,495	-	-	10,987	28,482
Human Services	656,674	-	-	330	657,004
Parks, Recreation and Culture	72,350	-	-	980	73,330
Other	4,265	109	-	-	4,374
Capital Outlay	-	-	49,938	-	49,938
Debt Service:					
Principal Retirement	-	38,677	-	-	38,677
Interest	-	15,476	-	-	15,476
Total Expenditures	<u>1,021,206</u>	<u>54,262</u>	<u>49,938</u>	<u>12,297</u>	<u>1,137,703</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>61,335</u>	<u>(43,072)</u>	<u>(35,214)</u>	<u>1,497</u>	<u>(15,454)</u>
Other Financing Sources (Uses):					
General Obligation Bonds Issued	302	-	30,558	-	30,860
Premium on General Obligation Bonds	-	-	31	-	31
Capital Lease Issued	3,252	-	-	-	3,252
Transfers In	7,192	47,758	-	-	54,950
Transfers Out	(71,285)	-	(1,763)	-	(73,048)
Total Other Financing Sources (Uses)	<u>(60,539)</u>	<u>47,758</u>	<u>28,826</u>	<u>-</u>	<u>16,045</u>
Net Change in Fund Balances	796	4,686	(6,388)	1,497	591
Fund Balances - Beginning	48,274	6,071	17,983	43,950	116,278
Fund Balances - Ending	<u>\$ 49,070</u>	<u>\$ 10,757</u>	<u>\$ 11,595</u>	<u>\$ 45,447</u>	<u>\$ 116,869</u>

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

COUNTY OF MILWAUKEE
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balance
 of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2008
 (In Thousands)

Net change in fund balances -- total governmental funds \$ 591

**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	49,938
Capital outlay recorded in Internal Service Funds	(6,013)
Capital outlay reported as an expenditure in the General Fund	3,538
Items reported as capital outlay that were not capitalized	(2,780)
Depreciation reported in the government-wide statements	(34,366)
Net book value of assets retired	(114)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,961

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Debt issued	(30,860)
Debt allocated to Transit	185
Capital lease issued	(3,252)
Premium on debt issued	(31)
Principal repaid	38,677

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. (443)

Principal payments reduce notes receivable on the Statement of Net Assets but are reported as revenues in the funds. (1,124)

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	356
Amortization of Bond Costs	(1,134)
Net Pension Obligation	(13,997)
Landfill Postclosure Costs	(10)
Pollution Remediation Costs	(315)
Compensated Absences Payable	(11)
Other Postemployment Benefits	(53,312)

Change in net assets of governmental activities \$ (52,516)

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

COUNTY OF MILWAUKEE
 Statement of Revenues, Expenditures and
 Changes in Fund Balances-Budget and Actual
 (Non-GAAP Budgetary Basis)
 General Fund
 For the Year Ended December 31, 2008
 (In Thousands)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance With Final <u>Budget</u>
Revenues:				
Intergovernmental	\$ 360,549	\$ 376,006	\$ 355,455	\$ (20,551)
Property Taxes	251,890	251,890	251,495	(395)
Sales Taxes	65,209	65,209	66,695	1,486
Charges for Services	354,898	363,840	367,915	4,075
Fines and Forfeits	3,564	3,564	3,375	(189)
Licenses and Permits	1,003	1,003	978	(25)
Investment Income and Rents	12,440	12,440	15,425	2,985
Other	33,188	37,992	21,203	(16,789)
Total Revenues	<u>1,082,741</u>	<u>1,111,944</u>	<u>1,082,541</u>	<u>(29,403)</u>
Expenditures:				
Current:				
Legislative, Executive and Staff	28,927	30,453	28,383	2,070
Courts and Judiciary	69,017	69,847	69,705	142
General Governmental Services	7,826	7,891	7,634	257
Public Safety	164,978	167,422	168,130	(708)
Public Works and Highways	17,464	17,855	17,537	318
Human Services	662,761	683,264	659,634	23,630
Parks, Recreation and Culture	66,635	69,880	66,808	3,072
Other	232	15,275	6,281	8,994
Total Expenditures	<u>1,017,840</u>	<u>1,061,887</u>	<u>1,024,112</u>	<u>37,775</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>64,901</u>	<u>50,057</u>	<u>58,429</u>	<u>8,372</u>
Other Financing Sources (Uses):				
Application of Fund Balance				
Reserved for 2008 Appropriations	4,901	4,901	4,901	-
General Obligation Bonds Issued	-	-	302	302
Capital Lease Issued	-	-	3,252	3,252
Transfers In	-	-	7,192	7,192
Transfers Out	(63,271)	(48,427)	(71,285)	(22,858)
Transfers To Component Units	(6,531)	(6,531)	(6,531)	-
Total Other Financing Sources (Uses)	<u>(64,901)</u>	<u>(50,057)</u>	<u>(62,169)</u>	<u>(12,112)</u>
Net Change in Fund Balance	-	-	(3,740)	(3,740)
Fund Balances -- Beginning	42,992	42,992	42,992	-
Fund Balances -- Ending	<u>\$ 42,992</u>	<u>\$ 42,992</u>	<u>\$ 39,252</u>	<u>\$ (3,740)</u>

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

COUNTY OF MILWAUKEE
Balance Sheet
Proprietary Funds
December 31, 2008
(In Thousands)

	Business-Type Activities -- Enterprise Funds			Governmental Activities -- Internal Service Funds
	Airports	Transit System	Total	
Assets				
Current Assets:				
Cash and Investments	\$ 29,968	\$ 14,832	\$ 44,800	\$ 26,895
Cash and Investments -- Restricted	28,575	-	28,575	-
Receivables:				
Accounts (Net of Allowances for Uncollectible Accounts and Contractual Adjustments)	6,874	81	6,955	899
Other	79	3,414	3,493	-
Due From Other Governments	-	5,052	5,052	289
Inventories	-	2,944	2,944	568
Prepaid Items	-	316	316	133
Other Assets	-	258	258	-
Total Current Assets	65,496	26,897	92,393	28,784
Noncurrent Assets:				
Other Post Employment Benefit Asset	-	3,431	3,431	-
Capital Assets:				
Land	18,594	2,773	21,367	1,164
Construction in Progress	13,041	714	13,755	7,110
Land Improvements	145,236	6,560	151,796	10,579
Building and Improvements	282,976	60,231	343,207	102,320
Machinery, Vehicles and Equipment	8,579	144,113	152,692	81,817
Total Capital Assets	468,426	214,391	682,817	202,990
Less: Accumulated Depreciation	(193,785)	(134,574)	(328,359)	(144,285)
Total Capital Assets (Net)	274,641	79,817	354,458	58,705
Total Noncurrent Assets	274,641	83,248	357,889	58,705
Total Assets	\$ 340,137	\$ 110,145	\$ 450,282	\$ 87,489
Liabilities				
Current Liabilities:				
Accounts Payable	\$ 2,437	\$ 2,612	\$ 5,049	\$ 1,598
Accrued Liabilities	182	2,554	2,736	-
Accrued Interest Payable	815	300	1,115	434
Unearned Revenues	7,502	3,284	10,786	230
Due to Other Governments	-	-	-	-
Bonds and Notes Payable - General Obligation	1,210	2,369	3,579	4,832
Bonds and Notes Payable - Revenue	7,520	-	7,520	-
Compensated Absences	1,547	4,825	6,372	2,640
Risk Claims	-	5,177	5,177	7,007
Capital Leases	144	-	144	139
Other Liabilities	10	2,546	2,556	-
Total Current Liabilities	21,367	23,667	45,034	16,880
Long-Term Liabilities:				
Bonds and Notes Payable - General Obligation	3,766	19,098	22,864	37,578
Bonds and Notes Payable - Revenue	169,295	-	169,295	-
Compensated Absences Payable	1,423	4,987	6,410	2,941
Risk Claims	-	3,336	3,336	3,560
Other Post Employment Benefits	4,097	-	4,097	8,200
Capital Leases	101	-	101	1,314
Total Long-Term Liabilities	178,682	27,421	206,103	53,593
Total Liabilities	200,049	51,088	251,137	70,473
Net Assets				
Unrestricted (Deficit)	2,281	496	2,777	1,616
Restricted for:				
Debt Service	14,000	-	14,000	-
Capital Asset Needs	5,115	-	5,115	-
Invested in Capital Assets, Net of Related Debt	118,692	58,561	177,253	15,400
Total Net Assets	140,088	59,057	199,145	17,016
Total Liabilities and Net Assets	\$ 340,137	\$ 110,145	\$ 450,282	\$ 87,489

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

COUNTY OF MILWAUKEE
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2008
(In Thousands)

	<u>Business-Type Activities -- Enterprise Funds</u>			Governmental Activities -- Internal Service Funds
	<u>Airports</u>	<u>Transit System</u>	<u>Total</u>	
Operating Revenues:				
Rentals and Other Service Fees	\$ 60,632	\$ 114	\$ 60,746	\$ 69,773
Admissions and Concessions	13,574	-	13,574	-
Transit Fares	-	53,201	53,201	-
Total Charges for Services	<u>74,206</u>	<u>53,315</u>	<u>127,521</u>	<u>69,773</u>
Other Revenues	15	3,186	3,201	501
Total Operating Revenues	<u>74,221</u>	<u>56,501</u>	<u>130,722</u>	<u>70,274</u>
Operating Expenses:				
Personnel Services	20,895	108,099	128,994	37,096
Contractual Services	18,472	28,525	46,997	12,218
Intra-County Services	10,412	816	11,228	5,092
Commodities	3,183	20,544	23,727	2,471
Depreciation and Amortization	14,107	12,819	26,926	7,663
Maintenance	487	443	930	1,154
Insurance and Claims	-	-	-	7,551
Client Payments	1,258	2,535	3,793	1,213
Total Operating Expenses	<u>68,814</u>	<u>173,781</u>	<u>242,595</u>	<u>74,458</u>
Operating Income (Loss)	<u>5,407</u>	<u>(117,280)</u>	<u>(111,873)</u>	<u>(4,184)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	-	88,522	88,522	863
Gain on Sale of Capital Assets	18	-	18	146
Investment Income	1,417	-	1,417	-
Interest Expense	(8,618)	(944)	(9,562)	(1,631)
Total Nonoperating Revenues (Expenses)	<u>(7,183)</u>	<u>87,578</u>	<u>80,395</u>	<u>(622)</u>
Income (Loss) Before Contributions and Transfers	<u>(1,776)</u>	<u>(29,702)</u>	<u>(31,478)</u>	<u>(4,806)</u>
Capital Contributions	10,354	569	10,923	2,368
Transfers In	97	19,048	19,145	4,382
Transfers Out	<u>(2,758)</u>	<u>(284)</u>	<u>(3,042)</u>	<u>(2,387)</u>
Change in Net Assets	5,917	(10,369)	(4,452)	(443)
Net Assets -- Beginning	134,171	69,426	203,597	17,459
Net Assets -- Ending	<u>\$ 140,088</u>	<u>\$ 59,057</u>	<u>\$ 199,145</u>	<u>\$ 17,016</u>

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

COUNTY OF MILWAUKEE
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2008
(In Thousands)

	Business-Type Activities -- Enterprise Funds			Governmental Activities -- Internal Service Funds
	Airports	Transit System	Total	
Cash Flows Provided (Used) by Operating Activities:				
Receipts from Customers and Interfund Users	\$ 66,764	\$ 57,091	\$ 123,855	\$ 21,497
Receipts from Interfund Services	-	-	-	48,917
Payments to Suppliers	(23,311)	(52,140)	(75,451)	(24,621)
Payments to Employees	(18,651)	(113,888)	(132,539)	(33,490)
Payments for Interfund Services Used	(10,412)	(816)	(11,228)	(3,614)
Net Cash Flows Provided (Used) by Operating Activities	<u>14,390</u>	<u>(109,753)</u>	<u>(95,363)</u>	<u>8,689</u>
Cash Flows Provided (Used) by Noncapital Financing Activities:				
Intergovernmental Revenues	-	87,090	87,090	574
Transfers From Other Funds	97	19,048	19,145	4,382
Transfers (To) Other Funds	(2,758)	(284)	(3,042)	(2,387)
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>(2,661)</u>	<u>105,854</u>	<u>103,193</u>	<u>2,569</u>
Cash Flows Provided (Used) by Capital and Related Financing Activities:				
Proceeds from Bonds	-	185	185	4,626
Capital Contributions	10,354	569	10,923	-
Principal Payment on Bonds	(8,630)	(2,027)	(10,657)	(5,114)
Interest Paid on Bonds	(8,664)	(950)	(9,614)	(1,592)
Payments on Capital Lease	(155)	-	(155)	(137)
Sale of Capital Assets	18	-	18	146
Acquisition of Capital Assets	(20,579)	(513)	(21,092)	(4,858)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(27,656)</u>	<u>(2,736)</u>	<u>(30,392)</u>	<u>(6,929)</u>
Cash Flows Provided (Used) by Investing Activities:				
Investment Income	1,417	-	1,417	-
Net Cash Flows Provided (Used) by Investing Activities	<u>1,417</u>	<u>-</u>	<u>1,417</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(14,510)	(6,635)	(21,145)	4,329
Cash and Cash Equivalents at Beginning of Year	73,053	21,467	94,520	22,566
Cash and Cash Equivalents at End of Year	<u>\$ 58,543</u>	<u>\$ 14,832</u>	<u>\$ 73,375</u>	<u>\$ 26,895</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Assets Financed by Capital Leases	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,590</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	<u>\$ 5,407</u>	<u>\$ (117,280)</u>	<u>\$ (111,873)</u>	<u>\$ (4,184)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Depreciation and Amortization	14,107	12,819	26,926	7,663
(Increase) Decrease in Assets:				
Accounts Receivable	(1,898)	(81)	(1,979)	113
Other Receivables	-	355	355	-
Inventories	-	149	149	80
Prepaid Items	-	(38)	(38)	15
Other Post Employment Asset	-	(1,587)	(1,587)	-
Other Assets	-	(69)	(69)	-
Increase (Decrease) in Liabilities:				
Accounts Payable	89	193	282	(192)
Accrued Liabilities	(201)	432	231	(113)
Unearned Revenues	(5,559)	385	(5,174)	10
Compensated Absences	254	218	472	(266)
Risk Claims	-	(4,852)	(4,852)	1,578
Other Post Employment Benefits	2,191	-	2,191	3,985
Other Liabilities	-	(397)	(397)	-
Total Adjustments	<u>8,983</u>	<u>7,527</u>	<u>16,510</u>	<u>12,873</u>
Net Cash Flows Provided (Used) by Operating Activities	<u>\$ 14,390</u>	<u>\$ (109,753)</u>	<u>\$ (95,363)</u>	<u>\$ 8,689</u>

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

COUNTY OF MILWAUKEE
 Statement of Fiduciary Net Assets
 Fiduciary Funds
 December 31, 2008
 (In Thousands)

	Pension Trust Fund	Agency Funds
<u>Assets</u>		
Cash and Investments:		
US Government Securities	\$ 19,441	\$ -
Notes and Bonds	536,948	-
Federal Agency and Mortgage	53,469	-
Real Estate Investments Trust	31,828	-
Common and Preferred Stocks	478,931	-
Private Equity	18,074	-
Deposits	17,886	21,963
Total Cash and Investments	1,156,577	21,963
Receivables:		
Pension Trust Fund Contribution	35,350	-
Accrued Interest and Dividends	5,562	-
Other	1,336	-
Securities Lending	37,445	-
Other Assets	5,068	-
Total Assets	1,241,338	21,963
<u>Liabilities</u>		
Accounts Payable	-	125
Agency Deposits	-	21,838
Securities Lending	37,445	-
Other Liabilities	6,079	-
Total Liabilities	43,524	21,963
<u>Net Assets</u>		
Held in Trust for Pension Benefits	\$ 1,197,814	\$ -

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

COUNTY OF MILWAUKEE
Statement of Changes in Fiduciary Net Assets
Pension Trust Fund
For the Year Ended December 31, 2008
(In Thousands)

	Total
Additions:	
Contributions:	
County of Milwaukee	\$ 34,841
Plan Participants	140
Total Contributions	34,981
Investment Income	
Net Appreciation (Depreciation) in Fair Value	(385,423)
Interest and Dividends	31,852
Other Income	921
Total Investment Income	(352,650)
Security Lending Income	2,391
Less: Security Lending Rebates and Fees	(1,849)
Net Security Lending Activity	542
Investment Expense	(3,798)
Net Investment Income (Loss)	(355,906)
Total Additions, Net of Losses	(320,925)
Deductions:	
Benefits Paid to Retirees and Beneficiaries	(144,161)
Administrative Expenses	(3,588)
Withdrawal of Membership Accounts	(23)
Total Deductions	(147,772)
Change In Plan Net Assets	(468,697)
Plan Net Assets Held In Trust for Pension Benefits	
Beginning of Year	1,666,511
End of Year	\$ 1,197,814

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

COUNTY OF MILWAUKEE
Combining Statement of Net Assets
Component Units
December 31, 2008
(In Thousands)

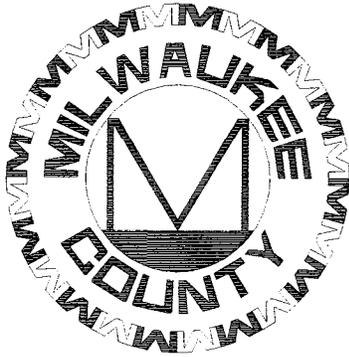
	<u>Museum</u>	<u>War Memorial Center</u>	<u>Marcus Center</u>	<u>Research Park Corporation</u>	<u>Total</u>
Assets					
Current Assets:					
Cash and Investments	\$ 2,245	\$ 69	\$ 3,528	\$ 555	\$ 6,397
Accounts Receivable	1,829	-	135	178	2,142
Accrued Interest Receivable	-	-	1	-	1
Inventories	58	-	5	-	63
Prepaid Items	247	-	70	8	325
Total Current Assets	<u>4,379</u>	<u>69</u>	<u>3,739</u>	<u>741</u>	<u>8,928</u>
Noncurrent Assets:					
Long-Term Investments	1,873	-	1,888	1,731	5,492
Accounts Receivable	2,683	-	-	-	2,683
Other	212	-	403	-	615
Capital Assets (Net)					
Buildings and Improvements	19,221	-	19,390	-	38,611
Machinery, Vehicles and Equipment	10,619	-	1,901	-	12,520
Less: Accumulated Depreciation	<u>(10,674)</u>	<u>-</u>	<u>(10,773)</u>	<u>-</u>	<u>(21,447)</u>
Total Capital Assets (Net)	<u>19,166</u>	<u>-</u>	<u>10,518</u>	<u>-</u>	<u>29,684</u>
Total Noncurrent Assets	<u>23,934</u>	<u>-</u>	<u>12,809</u>	<u>1,731</u>	<u>38,474</u>
Total Assets	<u>\$ 28,313</u>	<u>\$ 69</u>	<u>\$ 16,548</u>	<u>\$ 2,472</u>	<u>\$ 47,402</u>
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 749	\$ -	\$ 88	\$ 93	\$ 930
Accrued Liabilities	662	-	297	4	963
Accrued Interest Payable	55	-	-	-	55
Unearned Revenues	879	-	752	-	1,631
Bonds and Notes Payable	119	-	234	25	378
Capital Leases	22	-	14	-	36
Other Current Liabilities	-	-	69	67	136
Accrued Pension and Postretirement Benefits	80	-	-	50	130
Total Current Liabilities	<u>2,566</u>	<u>-</u>	<u>1,454</u>	<u>239</u>	<u>4,259</u>
Noncurrent Liabilities:					
Bonds and Notes Payable	16,457	-	520	83	17,060
Capital Leases	36	-	43	-	79
Other Noncurrent Liabilities	-	-	1,906	-	1,906
Accrued Pension and Postretirement Benefits	8,052	-	-	-	8,052
Total Noncurrent Liabilities	<u>24,545</u>	<u>-</u>	<u>2,469</u>	<u>83</u>	<u>27,097</u>
Total Liabilities	<u>27,111</u>	<u>-</u>	<u>3,923</u>	<u>322</u>	<u>31,356</u>
Net Assets					
Unrestricted (Deficit)	(9,673)	-	2,890	1,968	(4,815)
Restricted	8,321	69	14	182	8,586
Invested in Capital Assets, Net of Related Debt	2,554	-	9,721	-	12,275
Total Net Assets	<u>1,202</u>	<u>69</u>	<u>12,625</u>	<u>2,150</u>	<u>16,046</u>
Total Liabilities and Net Assets	<u>\$ 28,313</u>	<u>\$ 69</u>	<u>\$ 16,548</u>	<u>\$ 2,472</u>	<u>\$ 47,402</u>

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

COUNTY OF MILWAUKEE
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Component Units
For the Year Ended December 31, 2008
(In Thousands)

	<u>Museum</u>	<u>War Memorial Center</u>	<u>Marcus Center</u>	<u>Research Park Corporation</u>	<u>Total</u>
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
County Program Support	3,503	1,748	1,280	-	6,531
Charges for Services:					
Contributions and memberships	14,395	65	481	56	14,997
Other	4,489	247	5,514	77	10,327
Interest on Investments and Rents	507	726	2,753	157	4,143
Other	1,018	89	601	150	1,858
Total Revenues	<u>23,912</u>	<u>2,875</u>	<u>10,629</u>	<u>440</u>	<u>37,856</u>
Expenses:					
Public Works and Highways	-	-	-	1,156	1,156
Parks, Recreation and Culture	13,782	2,874	10,546	-	27,202
Total Expenses	<u>13,782</u>	<u>2,874</u>	<u>10,546</u>	<u>1,156</u>	<u>28,358</u>
Changes in Net Assets	10,130	1	83	(716)	9,498
Net Assets -- Beginning	(8,928)	68	12,542	2,866	6,548
Net Assets -- Ending	<u>\$ 1,202</u>	<u>\$ 69</u>	<u>\$ 12,625</u>	<u>\$ 2,150</u>	<u>\$ 16,046</u>

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



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Milwaukee County
Notes to the Financial Statements
December 31, 2008
(Amounts Expressed in Thousands)

Note 1-Summary of Significant Accounting Policies

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

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

In fiscal year 2008, the County implemented GASB Statement No. 49 - *Accounting and Financial Reporting for Pollution Remediation Obligations*. This Statement provides guidance on accounting and financial reporting for pollution (including contamination) remediation obligations, which result from remediation activities to address existing pollution problems. Pollution *prevention or control* activities with respect to current operations are excluded from this Statement. Future pollution remediation activities required upon retirement of an asset, such as landfill closure, are addressed under previous statements. Please see Note 8 on pages 111-121 for further information regarding the County's Pollution Remediation Obligations.

In fiscal year 2008, the Milwaukee County Employee Retirement System (ERS) implemented provisions of GASB Statement No. 50 - *Pension Disclosures, and Amendment of GASB Statements No. 25 and No. 27*. This statement requires that information about the funded status of the pension plan as of the most recent actuarial valuation be disclosed in notes to the financial statements. Additionally, GASB 50 requires disclosure of information about actuarial methods and assumptions used in valuation on which reported information about the Annual Required Contribution (ARC) and the funded status and progress are based. The schedules of funding progress present multiyear information about whether the

Note 1-Summary of Significant Accounting Policies (Continued)

actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The pension disclosures are located in Note 15 on pages 135-142.

A. The Reporting Entity

The County complies with the provisions of GASB Statement No. 14 and GASB Statement No. 39 in defining the reporting entity and its component units. As defined by GASB Statement No. 14, component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County is financially accountable for the organization if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County. The County may also be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. In addition, GASB Statement No. 39 states that a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely for the direct benefit of the primary government, its component units, or its constituents, (2) the primary government, or its component units, is entitled to or has the ability to otherwise access a majority of the economic resources received or held by the separate organization, and (3) the economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

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

Component Units

There are two ways to report component units; blended component units and discretely presented component units. Blended component units are legally separate entities that are in substance part of government operations, as they either have governing bodies that are substantively the same as the board or

Note 1-Summary of Significant Accounting Policies (Continued)

A. The Reporting Entity (Continued)

Component Units (Continued)

they provide their services exclusively or almost exclusively to the government. There are no blended component units reported by Milwaukee County.

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

The Milwaukee County War Memorial Center, Inc (“The War Memorial Center”) is a non-profit organization whose purpose is to operate and maintain the War Memorial Center and the Charles Allis/Villa Terrace Art Museums. The Center also provides services to the Milwaukee Art Museum. The governing board of the Center consists of fifteen members who oversee the day-to-day operations. The County Executive appoints four board members. The Board of County Supervisors appoints four other board members. The War Memorial Center is presented as a discretely presented component unit of the County because the County appoints the voting majority of the Center’s governing body and therefore has the ability to impose its will on the Center. In addition, the County provides the majority of the Center’s financial support, thus it has the ability to impose specific financial burdens on the County. The War Memorial Center has a December 31st year-end.

The Marcus Center for the Performing Arts (“Marcus Center”) is a not-for-profit non-stock corporation that offers facilities and services to a wide range of performing arts within the state. This cultural 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 within the state. The governing body of the Marcus Center consists of a twenty-five member Board of Directors. The County Executive appoints seven board members. The Board of Directors provides oversight and governance for the Marcus Center. The President and CEO oversee the day-to-day operations. The Marcus Center is presented as a discretely presented component unit of the County because the County owns the majority of the economic resources available to the Marcus Center (the building) and the majority of the Marcus Center’s debt has been issued by Milwaukee County, therefore the Marcus Center has imposed specific financial burdens on the County. The Marcus Center has a fiscal year ending December 31st.

Note 1-Summary of Significant Accounting Policies (Continued)

A. The Reporting Entity (Continued)

Component Units (Continued)

The Milwaukee Public Museum, Inc (“The Museum”), is a non-profit natural history museum, whose purpose is to preserve and protect the collections of the museum and to educate the public through exhibits and research into natural history. The governing body of the Museum consists of a twenty-seven member Board of Directors who oversees the day-to-day operations. The Museum Board appoints 18 members, the County Executive appoints five members, and the County Board Chairman appoints four members. The Museum is presented as a discretely presented component unit of the County because the County owns the majority of the economic resources available to the Museum (the building and the artifacts) and because the County provides a significant amount of financial support to the Museum. As a result, the Museum has the ability to impose specific financial burdens on the County. The Museum building is not included in the Museum’s capital assets reported on the Component Unit Statement of Net Assets. It is included in the County’s Governmental Activities Statement of Net Assets. The Museum has a fiscal year ending August 31st.

The Milwaukee County Research Park Corporation, (“The Corporation”) is a non-stock, non-profit organization whose purpose is to advance the economic and social interest of the community. The Corporation was formed solely for the purpose of developing a research and technology park on parts of the Milwaukee County Institution Grounds that are not required for medical or health institution purposes. The governing body of the Corporation consists of a fifteen-member board. The County Executive appoints ten of the members and the County Board Chairman appoints five members. The Corporation is presented as a discretely presented component unit because the County appoints all of the members of the governing board and therefore has the ability to impose its will on the Corporation and because the economic resources held by the Corporation were contributed to the Research Park by the County for the direct benefit of the County and its constituents. The Corporation 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 County War Memorial Center
750 North Lincoln Memorial Drive
Milwaukee, WI 53202

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

Note 1-Summary of Significant Accounting Policies (Continued)

A. The Reporting Entity (Continued)

Component Units (Continued)

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

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

Related Organizations

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

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

B. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

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

Note 1-Summary of Significant Accounting Policies (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

Fund Financial Statements

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

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

The County applies GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," when accounting for and reporting intergovernmental revenue transactions. The governmental fund financial statements report these revenues when entitlements to those resources have occurred and all grant requirements have been met. In the government-wide and proprietary fund financial statements these revenues are recognized when entitlement to the resources have 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

Note 1-Summary of Significant Accounting Policies (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

purposes, or which may be utilized for either operations or capital expenditures at the discretion of the County, are recognized as non-operating revenues in the accounting period in which they are earned. Intergovernmental grants restricted for the acquisition or construction of capital assets in the proprietary funds are recorded as a component of income.

All Financial Statements

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

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. The County considers intergovernmental revenues to be available if they are collected within 90 days of the end of the current fiscal period. Property taxes, intergovernmental revenues, sales taxes, investment income, rents, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, fines and forfeitures and all other revenue items are considered to be measurable and available only when the county receives cash. Uncollected property taxes of municipalities within the County are purchased and then collected by the County. There is no recourse to the municipalities for the collection of these taxes. The County uses a four-month availability period for these receivables of \$ 15,850.

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.

Note 1-Summary of Significant Accounting Policies (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

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 assets. The enterprise fund activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

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

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

Fiduciary Funds

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

Note 1-Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation

The County has presented the following major governmental funds:

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund accounts for the resources segregated for the acquisition or construction of major capital facilities.

The County has presented the following major proprietary funds:

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

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

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

Special Revenue Funds account for endowments, bequests and restricted donations to the County and passenger facility charges of the Airport, where the principal may be expended in the course of their designated operations. The specific purpose of each fund is as follows:

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

Parks- Enhancement of the Todd Wehr Nature Center and maintenance of parks and pathways.

Note 1-Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Persons with Disabilities- Special projects to help free disabled persons from environmental and attitudinal barriers.

Behavioral Health Division- Mental health research, patient activities, special events, and sick leave payouts for employees who retire from the Behavioral Health Division.

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

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

Internal Service Funds account for services provided to other departments and agencies of the government. Information Management Services, Public Works Services, and Risk Management are the County's internal service funds.

The Pension Trust Fund accounts for 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 resources 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, Liabilities and Net Assets or Equity

1. Deposits and Investments

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

Note 1-Summary of Significant Accounting Policies (Continued)

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

1. Deposits and Investments (Continued)

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

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

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

2. Receivables

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

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

Note 1-Summary of Significant Accounting Policies (Continued)

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

2. Receivables (Continued)

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

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

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

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

3. Inventory and Prepaid Items

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

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

4. Restricted Assets

Certain proceeds of the Airports enterprise fund revenue bonds, as well as certain resources set aside for repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and

Note 1-Summary of Significant Accounting Policies (Continued)

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

4. Restricted Assets (Continued)

their use is limited by applicable bond covenants. At the end of 2008, these restricted assets were \$ 17,433. As stated earlier (see item 1 under section D in the notes), the Special Revenue and Agency funds are also restricted resources and are not available to the County to finance its operations. The Airport Revenue Bond Interest and Principal Account is used to segregate resources accumulated for the semi-annual debt service payments. The Airport Revenue Bond Debt Service Reserve Account is used to report resources set aside to make up for any future deficiencies that may occur in the Airport Revenue Bond Principal and Interest Account. In addition, Airport revenue bond covenants require that fund equity be reserved for Debt Coverage, and Operations and Maintenance Reserves. The Debt Coverage Reserve Account and the Operations and Maintenance Reserve Account are used to report resources set aside to subsidize potential deficiencies from the Airport operation that could adversely affect debt service payments. When both restricted and unrestricted resources are available to make certain payments, the County uses unrestricted resources to liquidate payments. Restricted Airport passenger facility charges totaled \$ 28,177 at the end of 2008.

In addition, at the end of 2008, the Airport had \$ 11,142 of 2004, 2005, 2006 and 2007 revenue bond proceeds that were unspent, and for purposes of this report, are considered restricted.

In addition, the County has restricted \$ 5,905 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.

Under a contract agreement between the State of Wisconsin Department of Health and Family Services and the County's Department on Aging Care Management Organization, the County is required to restrict cash of \$ 6,142. This restricted cash is for a working capital reserve, restricted reserve and a solvency reserve under the contract.

Note 1-Summary of Significant Accounting Policies (Continued)

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

5. Capital Assets

Government-wide Statements

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

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

Major outlays for capital assets and improvements are capitalized at cost when purchased or constructed and updated for the cost of additions and retirements during the year.

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

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

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

Note 1-Summary of Significant Accounting Policies (Continued)

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

5. Capital Assets (Continued)

Government-wide Statements (Continued)

protected, kept unencumbered, cared for, and preserved. 3) The collection is subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for collections. With regard to the collection of zoo animals and in accordance with industry practice, animal collections are recorded at the nominal amount of \$ 1 (one dollar), as there is no objective basis for establishing value. Additionally, animal collections have numerous attributes, including species, age, sex, relationship and value to other animals, endangered status, and breeding potential, whereby it is impracticable to assign value. Acquisitions are recorded as expenditures in the period of acquisition. In an ongoing commitment to enhance the worldwide reproduction and preservation of animals, the County shares animals with other organizations. Consistent with industry practice, the County does not record any asset or liability for such sharing arrangements, as generally these arrangements are without monetary consideration.

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

Fund Financial Statements

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

6. Compensated Absences

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

Generally, accumulated sick pay is forfeited upon termination other than retirement. When an employee retires, accumulated sick leave benefits vest. Most represented employees are entitled to full payment for accumulated sick pay upon retirement. Full payment is either made in cash or is used to pay for

Note 1-Summary of Significant Accounting Policies (Continued)

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

6. Compensated Absences (Continued)

post-employment health insurance costs of the employee. Non-represented employees who retire are entitled to payment for accumulated sick leave up to a maximum of 400 hours plus 16 hours per 100 hours, or fraction thereof, of accrued sick leave in excess of the 400 hours, instead of full payment for all accumulated sick leave. Payments for retiree sick pay benefits were \$ 1,854 in 2008 and \$ 6,607 in 2007. In 2007, the County settled a lawsuit brought by non-represented employees related to sick leave benefits due at retirement. The 2007 sick pay benefits include \$ 3,948 in payments made to non-represented employees as a result of this lawsuit.

Amounts of vacation and sick pay earned and vested by employees have been accrued in the government-wide and proprietary fund financial statements. The short-term portions of compensated absences are classified as current liabilities. For the governmental activities and the business-type activities the short-term portion is \$ 24,184 and \$ 6,372, respectively. The long-term portion of compensated absences, generally for sick leave payable upon retirement, is classified as compensated absences. Amounts paid to employees in the governmental fund types within 60 days of year-end have been recorded as an expense in the governmental funds.

7. Long-term Obligations

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

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

Note 1-Summary of Significant Accounting Policies (Continued)

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

7. Long-term Obligations (Continued)

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

8. Equity Classifications

Government-wide Statements

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

- a. Invested in capital assets, net of related debt- Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.
- b. Restricted net assets- Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets- All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicated it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Note 1-Summary of Significant Accounting Policies (Continued)

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

8. Equity Classifications (Continued)

Fund Statements (Continued)

The Statutes of the State of Wisconsin require that the surplus/deficit of all departments of the County be determined in accordance with GAAP based on fund financial statements. The amount of any surplus/deficit of the current year is reserved by County Ordinance 32.91(4) a (4) and is 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 use of the surplus in whole or in part to retire outstanding general obligation bonds of the County. The Board of Supervisors may also by two-thirds vote adopt a resolution authorizing the surplus to be used to provide funds for emergency needs, as defined under the Statutes. The surplus cannot be used for any other purposes except those stated above.

9. Allowance for Doubtful Accounts

The County's Behavioral Health Division (BHD) provides an allowance for all third-party payers such as Medicare, Medicaid, HMO's, and other types of health insurance. The County's Aging Care Maintenance Organization (Aging CMO) provides an allowance for amounts due from the State in the event a client is not eligible for service reimbursement and for client service copayments. BHD and Aging CMO both adjust revenue in the current year of operations for the difference between billed charges 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. At December 31, 2008, the total allowance for both BHD and Aging CMO was \$ 13 028. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectable as reported at December 31, 2008. All allowances are netted against receivables for financial statement presentation.

10. Capitalization of Interest

Interest is capitalized on business-type assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project, with interest earned on invested proceeds over the same period. Interest costs related to bond issues are capitalized during the construction period. These costs

Note 1-Summary of Significant Accounting Policies (Continued)

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

10. Capitalization of Interest (Continued)

are netted against applicable interest earnings on construction fund investments. During 2008, the amount of capitalized interest was \$ 987.

11. Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U. S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The County uses the "revenue reduction" approach in accounting for rebateable arbitrage. This approach treats excess earnings as a reduction of revenue. There was no liability for rebateable arbitrage as of December 31, 2008.

12. Landfill Post-Closure Costs

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

13. Pollution Remediation Costs

The Wisconsin Department of Natural Resources has designated the County as the responsible party in the cleanup of petroleum contamination located on County property. The County has recorded a long-term obligation for these pollution remediation costs. These costs are recognized in the governmental activities

14. Capital Contributions

The capital contributions accounted for in the proprietary fund types represent contributions from other funds and state and federal grant programs. The contributions amount is reported after non-operating revenues and expenses on the statement of revenues, expenses, and changes in fund net assets in accordance with GASB Statement 34.

Note 1-Summary of Significant Accounting Policies (Continued)

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

15. Unearned Revenues

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

15. Pension Obligations

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

16. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances of purchase orders, contracts and other commitments for the expenditure of funds are recorded as reservation of fund balance until expended. Encumbrances are not reflected as expenditures. Encumbrance appropriations are recorded as reservations of fund balance and are liquidated in subsequent years. Every appropriation lapses at December 31, to the extent that it has not been expended or encumbered. Expenditures are recorded and encumbrances are liquidated when the services or materials are received.

17. Claims and Judgments

Claims and judgments are recorded as liabilities when the conditions of Statement of Financial Accounting Standards No. 5 have been met. Claims and judgments are liquidated with expendable available financial resources and are recorded during the year as expenditures in the governmental funds. If they are not liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in

Note 1-Summary of Significant Accounting Policies (Continued)

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

17. Claims and Judgments (Continued)

the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

18. Other Post Employment Benefit Obligations

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

Note 2- Stewardship, Compliance, and Accountability

Budgetary Information

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

All adopted budgets for the governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance- reserve for 2008 appropriations and encumbrances. For budget purposes, fund balance-reserved for 2008 appropriations – is reflected as other financing sources whereas, for accounting purposes, it is reflected as part of fund balance. For budget purposes, encumbrances are recorded as expenditures as opposed to a reservation 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

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

Budgetary Information – (Continued)

Capital Projects Funds are considered departments. Once the budget is adopted, transfers of appropriations among departments require approval by the board of supervisors and are permitted only during the last three months of the year. Supplemental appropriations for the purpose of public emergencies may be made from unanticipated revenues received or surplus earned, as defined by resolution adopted by a vote of two-thirds of the members of the board of supervisors. Supplemental appropriations from the issuance of tax anticipation notes require an affirmative vote of three-fourths of the members of the board of supervisors. During the 2008 fiscal year, the Board of Supervisors adopted no supplemental appropriations.

Budgetary Basis of Accounting

The “Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual (Non-GAAP Budgetary Basis)- General Fund ” is prepared on a basis consistent with the legally adopted budget. Under this method, encumbrances outstanding are charged to budgetary appropriations and considered as expenditures of the current period. In addition, Fund Balance Reserved for 2008 Appropriations is available for financial expenditures and is reflected as 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 reservation of fund balance and charged to expenditures in the period in which goods or services are received. Encumbrance amounts at year-end are reflected as a component of the Fund Balance titled “Fund Balance (Deficit) Reserved for Encumbrances”.

A reconciliation for the General Fund follows:

	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
GAAP Basis	\$ 1,021,206	\$ (60,539)
Encumbrances	9,437	-
Reserved for 2008 Appropriation	-	4,901
Transfers to Component Units	(6,531)	(6,531)
Non-GAAP Budgetary Basis	<u>\$ 1,024,112</u>	<u>\$ (62,169)</u>

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

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

County Tax Rate Limit (Amounts Expressed in Dollars)

Section 59.605 of the Wisconsin Statutes imposes a limit on the property tax rate that the County can impose upon its citizens. Separate limits were imposed for operating levy rates and debt service levy rates of \$ 4.08 per \$ 1,000 of equalized value and \$ 1.42 per \$ 1,000 of equalized value, respectively. For 2008, the County's actual operating and debt service levy rates were \$ 3.05 per \$ 1,000 of equalized value and \$ 0.83 per \$ 1,000 of equalized value, respectively.

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 trust and funds, which have been designated as interest earning funds. The remaining investment earnings are provided as an offset to costs for the government as a whole. A "zero balance account" mechanism provides for the sweep of deposits made to bank accounts and the payment for checks presented against accounts. The Primary Government, excluding the Pension Trust, then makes a decision to either transfer funds to an investment manager for the purchase of government securities, or to maintain the funds in the financial institution. Funds sent to the investment manager are used to purchase investments that meet the County's investment policy and State Statute requirements. The net funds maintained at the financial institution will earn a guaranteed rate of return set to the current market LIBOR rates. The funds maintained at the financial institution are secured by collateral in the County's name at a Federal Reserve Bank.

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

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Note 3- Deposits and Investments (Continued)

Reconciliation of Cash and Investments:

Statement of Net Assets:

Cash and Investments	\$ 210,434
Cash and Investments- Restricted	68,799
Subtotal	279,233

Statement of Fiduciary Net Assets:

Cash and Investments	
Pension Trust Fund	1,156,577
Agency Fund	21,963
Total	\$ 1,457,773

Deposits-County/Agency	\$ 102,900
Investments-County/Agency	198,296
Pension Deposits	17,886
Pension Investments	1,138,691
Total	\$ 1,457,773

Cash Deposits

The carrying amount of the County's deposits at December 31, 2008 was \$ 102,900 and the bank balance was \$ 104,500.

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. Interest bearing deposits with banks are insured by the FDIC in the amount of \$ 250. Non-interest bearing deposits are insured by the FDIC at full value. The State Deposit Guarantee Fund insures deposits up to a total of \$ 400 per entity, not per banking institution. The County does not have a deposit policy for custodial credit risk. Of the \$ 104,500 of deposits with financial institutions, \$ 6,569 was covered by Federal depository insurance and State governmental insurance, subject to availability of funds in the State's Deposit Guarantee Fund and \$ 94,331 was collateralized with government securities held in a separate financial institution in the County's name, and \$ 3,600 was uninsured, uncollateralized, or exposed to custodial credit risk.

Investments

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

Note 3- Deposits and Investments (Continued)

Investments (Continued)

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

As of December 31, 2008 the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
U S Agency	\$ 42,777
Government Agency Guaranteed Adjustable Rate Securities	17,467
Government Guaranteed Adjustable Rate Securities	5,620
U S Treasuries	55,032
AAA Municipal Bonds	10,105
Asset Backed Securities	2,420
Guaranteed Investment Contracts	8,111
Corporate Bonds	8,290
Money Market Cash Equivalents	36,978
Certificates of Deposit	8,180
Futures Hedge Contract with Commodities Broker	3,316
Total	\$ <u>198,296</u>

In its normal course of operations, the Transit System enters into futures contracts for heating oil as a hedge for its diesel fuel purchases. The aggregate fair value of these hedging derivative instruments in asset positions at December 31, 2008 was \$ 2,809. This represents the maximum loss that would be recognized at the reporting date if the counterparty failed to perform as contracted. This maximum exposure is reduced by \$ 3,316 for collateral held with the counterparty, resulting in no credit risk to the County. The County has one contract for hedging derivative instruments with a single counterparty: Transit System hedge on diesel fuel. This counterparty is not rated. The County is exposed to basis risk on the hedging derivative instruments because the expected commodity purchase being hedged will price based on a pricing point different than the pricing point at which the futures contract is expected to settle.

Note 3- Deposits and Investments (Continued)

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

Interest Rate Risk-Investments

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

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Note 3- Deposits and Investments (Continued)

Interest Rate Risk-Investments (Continued)

As of December 31, 2008, the County had the following investments and maturities:

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U S Agency	\$ 42,777	\$ 1,031	\$ 28,879	\$ 6,223	\$ 6,644
Government Agency Guaranteed Adjustable Rate Securities	17,467	-	17,467	-	-
Government Guaranteed Adjustable Rate Securities	5,620	5,620	-	-	-
U S Treasuries	55,032	200	36,715	18,117	-
AAA Municipal Bonds	10,105	-	10,105	-	-
Asset Backed Securities	2,420	-	2,420	-	-
Guaranteed Investment Contracts	8,111	-	-	-	8,111
Corporate Bonds	8,290	-	6,746	1,544	-
Money Market Cash Equivalents	36,978	36,978	-	-	-
Certificates of Deposit	8,180	8,180	-	-	-
Futures Hedge Contract with Commodities Broker	3,316	3,316	-	-	-
Totals	\$ 198,296	\$ 55,325	\$ 102,332	\$ 25,884	\$ 14,755

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 Moody's Investor Service or Standard & Poor's) gives an indication of the degree of credit risk for that security. Listed below are the County's investments with the corresponding credit quality ratings: The County does not have an investment policy pertaining to credit risk.

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Note 3- Deposits and Investments (Continued)

Credit Risk-Investments (Continued)

Investment Type	Fair Value	Standard & Poor's	Moody's Investor Service
U S Agency Government Agency Guaranteed	\$ 42,777	AAA	Aaa
Adjustable Rate Securities	17,467	AAA	Aaa
Government Guaranteed Adjustable Rate Securities	5,620	AAA	Aaa
U S Treasuries	55,032	AAA	Aaa
AAA Municipal Bonds	10,105	AAA	Aaa
Municipal Adjustable Rate Notes	2,420	AAA	Aaa
Guaranteed Investment Contracts	8,111	N/A	N/A
Corporate Bonds	8,290	AAA	Aaa
Money Market Cash Equivalents	36,978	AAA	Aaa
Certificates of Deposit	8,180	N/A	N/A
Futures Hedge Contract with Commodities Broker	3,316	N/A	N/A
Total	\$ 198,296		

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 written investment policy states that investments held by the County shall be diversified to control the risk of loss resulting from over concentration of investments in a specific maturity, issuer, instrument/and or class of instrument(s), and dealers through whom securities are brought and sold. The County's written investment policy also places limits on the percentage of the portfolio that may be invested in each type of investment. The following percentage ranges of portfolio investments apply to the investment categories currently allowed by Wisconsin Statute:

- Time and other Money Market deposits of banks, savings banks, trust companies, savings and loans, credit unions, regulated by the Securities and Exchange Commission 0-50%
- U. S. Treasury and Other Federal agency/instrumentality securities 0-100%
- Corporate securities, including commercial paper 0-25%
- Municipal securities 0-25%
- Local Government Pooled Investment Fund of the State Investment Board 0-50%
- Repurchase agreements with public depository institutions (only) and where specific and appropriate collateral is provided 0-50%
- Securities of an open-end management investment company or investment trust, investing in statutorily allowed securities 0-25%
- All other security types, when and if authorized in the future by amendment to Wisconsin statute 0-25%

Note 3- Deposits and Investments (Continued)

Concentration of Credit Risk-Investments (Continued)

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

The County's investment policy also limits the use of reverse repurchase agreements to transactions with commercial banks located in the State of Wisconsin to a period of time no longer than 14 days. The County enters into reverse repurchase agreements for cash flow purposes only.

At December 31, 2008, the County is not exposed to a concentration of credit risk.

Cash Deposits-Pension Trust Fund

The carrying amount of Pension Trust Fund deposits at December 31, 2008 was \$ 17,886 and the bank balance was \$ 19,775.

Custodial Credit Risk Deposits-Pension Trust Fund

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Pension Trust Fund will not be able to recover the value of its deposits. Interest bearing deposits with banks are insured by the FDIC in the amount of \$ 250. Non-interest bearing deposits are insured by the FDIC at full value. The State Deposit Guarantee Fund insures deposits up to a total of \$ 400 per entity, not per banking institution. As of December 31, 2008, all deposits with banks are fully insured by the Federal Depository Insurance Corporation or the State Deposit Guarantee Fund. The Pension Trust Fund does not have a formal policy pertaining to custodial credit risk.

Investments-Pension Trust Fund

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

Note 3- Deposits and Investments (Continued)

Investments-Pension Trust Fund (Continued)

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

As of December 31, 2008 the Pension Trust Fund had the following investments:

Investment Type	<u>Fair Value</u>
Domestic Common and Preferred Stocks	\$ 310,136
Corporate Bonds and Conv Debentures	513,171
International Common and Preferred Stocks	168,795
Federal Agency and Mortgage-Backed Certificates	53,469
International Fixed Income	23,777
US Government, State Obligations	19,441
Real Estate Investments Trusts	31,828
Private Equity	18,074
Total	<u>\$ 1,138,691</u>

Custodial Credit Risk-Investments-Pension Trust Fund

Custodial credit risk for investments is the risk that, in the event a counterparty fails, the Pension Trust Fund will not be able to recover the value of investments or securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the Pension Trust Fund's name and are held by the counterparty. Substantially all of the assets of the Pension Trust Fund are held in its name. Repurchase agreements held by the Pension Trust Fund are essentially collateralized overnight loans, with the securities held by the counterparty as collateral. These securities are held by the counterparty but not in the Pension Trust Fund's name. As of December 31, 2008, \$ 1,870 of the collateral for the repurchase agreements was exposed to custodial risk because it is held outside of the trust's name. The Pension Trust Fund does not have a formal policy for custodial credit risk.

Note 3- Deposits and Investments (Continued)

Interest Rate Risk-Investments Pension Trust Fund

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

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Note 3- Deposits and Investments (Continued)

Interest Rate Risk-Investments Pension Trust Fund (Continued)

As of December 31, 2008 the Pension Trust Fund had the following option-adjusted durations for the fixed income investment:

<u>Fixed Income Sector</u>	<u>Fair Value</u>	<u>Option Adjusted Duration (In Years)</u>	<u>Fixed Income Sector</u>	<u>Fair Value</u>	<u>Option Adjusted Duration (In Years)</u>
ABS-Airplane Receivables	\$ 3,511	0.45	House Related	\$ 5,243	4.66
ABS-Car Loan	1,098	0.87	Industrial	43,456	5.49
ABS-Credit Cards	1,564	1.80	Insurance	2,258	8.87
ABS-Equipment	220	1.58	International Corporate Bonds	4,874	1.13
ABS-Home Equity	327	0.01	International Government Bonds	3,285	3.90
Automobiles & Components	78	4.08	Mining	1,562	11.13
Banking & Finance	30,257	4.80	News/Media	6,414	12.02
BSDT Reserve Deposit Accts.	337	0.00	Oil & Gas	12,266	7.39
Capital Goods	177	3.65	Other Corporate Bonds	681	4.28
Chemicals	63	7.09	Paper & Forest Products	981	0.61
CMO-U.S. Agencies	1,116	5.49	Pvt Placements-More than 1 yr	8,037	5.59
CMO-Comm/Corp	15,686	1.42	Retail	2,065	9.12
Commingled Fds Cash Equivalents	38,637	0.08	Supranational issues	1,373	11.46
Convertible Bonds	5,640	1.20	Taxable Municipals	1,126	7.08
FHLMC Multiclass	17,011	3.51	Technology	1,144	4.98
FHLMC Pools	3,678	2.41	Transportation	5,323	3.93
FNMA Pools	14,218	2.67	U.S. Agencies	2,955	1.51
FNMA REMIC	13,680	3.58	U.S. Governments	19,441	7.49
Food Beverage & Tobacco	376	10.63	Utility-Electric	14,511	5.94
Food Products	93	6.74	Utility-Gas	2,526	6.21
Govt of Canada-Direct	2,622	1.87	Utility-Telephone	16,123	7.17
Health Care	6,632	5.49	Yankee Bonds	795	6.45
Household Products	91	5.80	Other*	313,600	N/A
Sub-total	\$ 157,112		Sub-total	\$ 470,039	
			Total	\$ 627,151	

* Represents \$ 312,542 invested in bond mutual fund, \$ 809 GNMA Single Family Pools and \$249 CMO-Comm/Corp for which the duration was not available.

Credit Risk-Investments-Pension Trust Fund

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investor Services (Moody's), Standard & Poor (S & P) and Fitch Ratings (Fitch's). With the exception of the Loomis Sayles-High Yield and the MCM Aggregate Bond portfolios, bonds purchased and owned in each portfolio must have a minimum quality rating of Baa3 (Moody's) or BBB- (S & P and Fitch's). The average quality

Note 3- Deposits and Investments (Continued)

Credit Risk-Investments-Pension Trust Fund (Continued)

of each portfolio must be A or better. For Loomis Sayles-High Yield, bonds must have a minimum quality rating of B3 (Moody's) or B- (S & P and Fitch's) at the time of purchase. The fixed income securities for the MCM 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.

As of December 31, 2008 the Pension Trust Fund had the following credit quality ratings of investments in fixed income securities as recognized by Moody's Investor Services:

<u>Moody's Quality Ratings</u>	<u>Fair Value</u>
AAA	\$ 19,958
AA1	3,981
AA2	1,779
AA3	4,072
A1	7,574
A2	34,140
A3	9,342
BAA1	19,878
BAA2	21,971
BAA3	29,812
BA1	4,336
BA2	4,211
BA3	14,303
B1	12,969
B2	5,535
B3	1,378
CAA1	7,936
CAA2	397
CA	394
C	1,023
NR	19,417
Total Credit Risk Fixed Income Securities	\$ 224,406
U.S. Government and Agencies	72,910
Mutual Funds (Not Rated)	312,542
Total Investment in Fixed Income	\$ 609,858

Concentration of Credit Risk-Investments-Pension Trust Fund

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer, generally investments in any one issuer that represents five (5) percent or more of total investments. Investments issued or explicitly guaranteed by the U. S. Government and investments in mutual funds,

Note 3- Deposits and Investments (Continued)

Concentration of Credit Risk-Investments-Pension Trust Fund (Continued)

external investment pools, and other pooled investments are excluded from this definition. For the year ending December 31, 2008, the Pension Trust Fund has no investments in one issuer other than U.S. Government securities and mutual funds that exceed five (5) percent of total plan net assets.

Foreign Currency Risk Investments-Pension Trust Fund

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

As of December 31, 2008 the Pension Fund had the following investments exposed to foreign currency risk:

Current Unit	Equity Incl Private Equity	Fixed Income Incl Conv Deb	Cash and Cash Equivalents	Total
Australian Dollar	\$ 2,912	\$ 1,604	\$ -	\$ 4,516
Brazilian Real	-	1,001	-	1,001
British Pond Sterling	1,392	-	-	1,392
Canadian Dollar	497	3,016	-	3,513
Euro Currency Unit	2,887	-	13	2,900
Hong Kong Dollar	4,112	-	-	4,112
Iceland Krona	-	979	-	979
Japanese Yen	5,971	-	-	5,971
Mexican New Paso	-	2,175	-	2,175
New Zealand Dollar	-	214	-	214
Singapore Dollar	787	178	-	965
South Korean Won	-	1,219	-	1,219
Swedish Krona	306	-	-	306
Swiss Franc	274	-	108	382
Thailand Baht	-	1,393	-	1,393
Totals	\$ 19,138	\$ 11,779	\$ 121	\$ 31,038

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 non-major funds in the aggregate, including the applicable allowances for uncollectibles accounts, are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Receivables:				
Accounts	\$ 25,578	\$ 50	\$ -	\$ 25,628
Taxes:				
Current Levy	258,479	-	-	258,479
Delinquent	15,850	-	-	15,850
Interest	6,744	-	-	6,744
Notes	968	1,926	-	2,894
Other	14,230	-	109	14,339
Due from Other Governments	<u>44,124</u>	<u>-</u>	<u>490</u>	<u>44,614</u>
Gross Receivables	340,395	1,926	599	342,920
Less: Allowance for Uncollectibles	<u>(13,028)</u>	<u>-</u>	<u>-</u>	<u>(13,028)</u>
Net Total Receivables	<u>\$ 327,367</u>	<u>\$ 1,926</u>	<u>\$ 599</u>	<u>\$ 329,892</u>

Of the delinquent taxes receivable of \$ 15,850, \$ 8,655 are not expected to be collected within one year.

At December 31, 2008 accounts receivable of the Enterprise funds are as follows:

	<u>Airport</u>	<u>Transit System</u>	<u>Total</u>
Receivables:			
Accounts	\$ 6,874	\$ 81	\$ 6,955
Other	79	3,414	3,493
Due from Other Governments	<u>-</u>	<u>5,052</u>	<u>5,052</u>
Total Receivables	<u>\$ 6,953</u>	<u>\$ 8,547</u>	<u>\$ 15,500</u>

All amounts are expected to be collected within one year. As of December 31, 2008 no amounts are deemed uncollectible.

Note 4- Receivables (Continued)

The gross amount of notes receivable consisted of the following at December 31, 2008:

General Fund	\$ 968
Debt Service Fund	1,926
Total	<u>\$ 2,894</u>

Amounts Due Within One Year **\$ 1,134**

Amounts Due In More Than One Year **\$ 1,760**

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

Unearned Revenue - Governmental Activities:

2008 Property Tax Levy	\$ 257,637
Delinquent Tax Receivables	7,300
State and Federal Revenue Unavailable for Current Expenditures	19,434
Other Unearned Revenue	3,912
Deferred Credits - Behavioral Health	113
Total Deferred Revenue	\$ 288,396
Deferred Credits - Public Works Services	230
Less: Amounts Earned but Not Available	(12,814)
Net Unearned Revenue	<u>\$ 275,812</u>

Unearned Revenue - Business-Type Activities:

Airport - Lease Revenue	\$ 7,502
Deferred Credits - Transit	3,284
Total Unearned Revenue	<u>\$ 10,786</u>

Note 5- Capital Assets

Primary Government

The following is a summary of the changes in capital assets for the fiscal year ended December 31, 2008.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$ 59,520	\$ 1	\$ -	\$ 59,521
Construction in progress	18,087	6,520	(16,351)	8,256
Total Capital Assets, not being Depreciated	77,607	6,521	(16,351)	67,777
Capital Assets, Being Depreciated				
Land Improvements	230,213	11,626	(431)	241,408
Buildings	584,632	14,374	(593)	598,413
Fixed Equipment Buildings	49,180	850	(3,092)	46,938
Infrastructure	138,062	15,480	(3,430)	150,112
Machinery and Equipment	90,214	3,497	(4,594)	89,117
Vehicles and Related Equipment	38,975	9,715	(1,570)	47,120
Furniture and Fixtures	2,703	3,145	(90)	5,758
Total Capital Assets, Being Depreciated	1,133,979	58,687	(13,800)	1,178,866
Less: Accumulated Depreciation				
Land Improvements	(120,505)	(7,328)	430	(127,403)
Buildings	(297,475)	(16,003)	576	(312,902)
Fixed Equipment Buildings	(28,413)	(2,040)	3,104	(27,349)
Infrastructure	(59,202)	(7,377)	3,431	(63,148)
Machinery and Equipment	(58,685)	(7,105)	4,553	(61,237)
Vehicles and related Equipment	(25,830)	(2,307)	1,497	(26,640)
Furniture and Fixtures	(783)	(68)	108	(743)
Total Accumulated Depreciation	(590,893)	(42,228)	13,699	(619,422)
Net Capital Assets Being Depreciated	543,086	16,459	(101)	559,444
Governmental Activities Capital Assets- Net	\$ 620,693	\$ 22,980	\$ (16,452)	\$ 627,221

Governmental activities capital assets, net of accumulated depreciation, at December 31, 2008 are comprised of the following:

General Capital Assets, Net	\$ 568,516
Internal Service Fund Capital Assets, Net	58,705
Total	\$ 627,221

Note 5- Capital Assets (Continued)

Primary Government (Continued)

Depreciation was charged to governmental functions as follows:

Governmental Activities:

Legislative and Executive, and Staff	\$	4,418
Courts and Judiciary		39
General Governmental Services		61
Public Safety		6,200
Public Works and Highways		13,369
Human Services		3,899
Parks, Recreation, and Culture		14,242
Total	\$	<u>42,228</u>

The following is a summary of changes in capital assets for business-type activities for the year ended December 31, 2008.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital Assets, not being Depreciated				
Land	\$ 21,366	\$ 1	\$ -	\$ 21,367
Construction in progress	16,446	20,034	(22,725)	13,755
Total Capital Assets, not being Depreciated	<u>37,812</u>	<u>20,035</u>	<u>(22,725)</u>	<u>35,122</u>
Capital Assets, Being Depreciated				
Land Improvements	141,544	10,252	-	151,796
Buildings	165,517	2,623	-	168,140
Fixed Equipment Buildings	164,978	10,149	(60)	175,067
Machinery and Equipment	11,670	1,012	-	12,682
Vehicles and Related Equipment	154,656	288	(17,397)	137,547
Furniture and Fixtures	2,409	56	(2)	2,463
Total Capital Assets, Being Depreciated	<u>640,774</u>	<u>24,380</u>	<u>(17,459)</u>	<u>647,695</u>
Less: Accumulated Depreciation				
Land Improvements	(86,120)	(4,975)	-	(91,095)
Buildings	(103,275)	(2,975)	-	(106,250)
Fixed Equipment Buildings	(21,575)	(6,984)	-	(28,559)
Machinery and Equipment	(5,532)	(1,329)	-	(6,861)
Vehicles and related Equipment	(100,242)	(10,577)	16,860	(93,959)
Furniture and Fixtures	(1,550)	(86)	1	(1,635)
Total Accumulated Depreciation	<u>(318,294)</u>	<u>(26,926)</u>	<u>16,861</u>	<u>(328,359)</u>
Net Capital Assets Being Depreciated	<u>322,480</u>	<u>(2,546)</u>	<u>(598)</u>	<u>319,336</u>
Business-type Activities Capital Assets- Net	<u>\$ 360,292</u>	<u>\$ 17,489</u>	<u>\$ (23,323)</u>	<u>\$ 354,458</u>

Note 5- Capital Assets (Continued)

Primary Government (Continued)

Depreciation was charged to business-type activities as follows:

Airport	\$ 14,107
Transit System	<u>12,819</u>
Total	\$ <u>26,926</u>

Discretely Presented Component Units

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

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

Building Improvements	\$ 16,943
Parking Structure and Improvements	2,447
Furniture and Fixtures	75
Equipment and Computers	1,826
Less: Accumulated Depreciation	<u>(10,773)</u>
Capital Assets, Net	\$ <u>10,518</u>

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

Building additions and improvements	\$ 19,221
Furniture, equipment and exhibits improvements	10,619
Less: Accumulated depreciation	<u>(10,674)</u>
Capital Assets, Net	\$ <u>19,166</u>

Construction Commitments

Following is a list of major capital projects either started or continuing in 2008. These reflect projects for both governmental funds and proprietary funds.

<u>Project Area</u>	<u>Project Description</u>	<u>2008 Appropriations</u>	<u>2008 Expenditures</u>	<u>Committed</u>
Airport	In-Line Baggage Screening	\$ 9,273	\$ 5,258	\$ 692
Airport	"C" Concourse Four Gate Expansion	3,331	1,913	889
Airport	Terminal HVAC Equipment Replacement	2,855	1,877	936
Airport	Runway Safety Area- NEPA Comp	6,947	1,345	5,043
Airport	Cargo Way Reconstruction	2,205	1,163	225

Note 5- Capital Assets (Continued)

Construction Commitments (Continued)

Project Area	Project Description	2008 Appropriations	2008 Expenditures	Committed
Airport	E Concourse Stern Remodel	\$ 2,585	\$ 793	777
Airport	Airfield Pavement Rehabilitation	911	662	7
Airport	Runway Safety Improvement	799	596	-
Airport	Replacement of Taxiway M from Taxiway B to Taxiway E	846	560	51
Airport	Air Cargo Building Roof Replacement	874	490	74
Airport	Equipment Storage Building	893	488	282
Airport	Lawrence J Timmerman Runway and Taxiway Rehabilitation	478	392	43
Airport	Terminal Mall and Ticketing Recarpeting	981	380	243
Airport	Compressed Natural Gas Facility	368	347	3
Airport	Stormwater Box Tunnel Repairs	583	344	163
Airport	Security and Wildlife Deterrent Perimeter Fencing	357	296	-
Airport	Terminal Mall Public Restroom Renovation	341	283	42
Airport	Part 150 Noise Study	331	186	31
Airport	Security System Fiber Optic Cable Replacement	278	184	65
Airport	Master Plan Update	460	129	292
Airport	Terminal Road Reconstruction	266	123	-
Airport	South Maintenance Road	910	114	-
Airport	Firehouse Road Replacement	232	95	-
Airport	Phase I Mitigation Program	2,118	62	7
Airport	"D" Concourse Improvements	288	50	9
Central Services	County Grounds East Water Tower Replacement	646	484	169
Central Services	"C" Building Roof Replacement	557	142	-
Central Services	County Grounds West Water Tower Replacement	897	61	777
Courthouse Complex	Building Automation and Access Control Upgrade	469	452	15
Courthouse Complex	Courts Videoconferencing Replacement	462	393	6
Courthouse Complex	Courthouse Annex Renovation	583	375	40
Courthouse Complex	Courtroom Bullet Resistant Glass Wall	236	234	3
Courthouse Complex	Criminal Justice Facility Inmate Elevator Upgrade	218	188	22
Courthouse Complex	Courthouse Restroom Renovation	287	184	39
Courthouse Complex	Medical Examiner Molecular Toxicology Laboratory Equipment	171	176	-
Courthouse Complex	Courthouse Roof Replacement	211	126	8
Courthouse Complex	Courthouse Complex HVAC System	108	54	1
Environmental	Countywide Sanitary Sewers Replace	1,591	1,000	297
Environmental	Bradford Beach Storm Water Outfalls Relocation	1,022	852	85
Environmental	Pond and Lagoon Demonstration	589	284	289
Environmental	McKinley Beach SW Outfall	638	177	475
Highways	West Good Hope Road	5,195	4,346	768
Highways	Mill Road 91st to South 45	3,155	2,458	655
Highways	Milwaukee River Parkway Bridge #647	2,232	1,881	1,689
Highways	Reconstruct Hampton from 92nd	4,539	1,778	325
Highways	South 76th Street Bridge Over West Forest Home Avenue	952	803	-
Highways	Oak Creek Parkway Bridge 741 Over Oak Creek	1,181	725	762
Highways	South 76th Street West Parkview Drive	698	611	278
Highways	West Rawson Avenue South 6th Street to South Ash Street	153	513	-

Note 5- Capital Assets (Continued)

Construction Commitments (Continued)

Project Area	Project Description	2008 Appropriations	2008 Expenditures	Committed
Highways	Honeycreek Parkway Bridges #780	\$ 439	\$ 507	\$ -
Highways	West Silver Spring Drive North 124th	885	432	52
Highways	Honeycreek Bridge #779	329	426	-
Highways	Reconstruct North Port Washington Road	66	233	-
Highways	West Oklahoma Avenue, West Beloit	(7)	218	-
Highways	West Good Hope Road Little Menominee	334	140	8
Highways	West Good Hope Road- North 107th Street North Port Road	140	82	68
Highways	West Rawson Avenue South 27th Street to South 6th Street	8	76	8
Highways	West Hampton 60th to North 124th	91	61	-
Highways	East College/ South Howell to Penn	511	58	33
Highways	Reconstruct County Trunk Highway "V" South 13th	1,033	51	21
House of Correction	House of Corrections Fire Suppression System	685	608	49
House of Correction	Laundry Equipment Replacement	495	149	-
House of Correction	Kitchen Equipment Replacement	130	112	6
Human Services	Monitor/Defibrillator "E" Series Implementation	556	540	-
Human Services	Vliet Exterior Improvement	546	454	90
Human Services	Wilson-Fire Alarm System & Elevator	388	290	5
Human Services	Rose Senior Center- Fire Alarm System/ Passenger Elevator	392	263	26
Human Services	Coggs Center Electrical Substation Replacement	937	126	426
Human Services	Kelly-Bathroom Renovations Basic	157	124	19
McKinley Marina	McKinley Marina Seawall Improvements	1,273	701	29
McKinley Marina	Coast Guard Station Demolition and Pavilion Construction	432	420	-
McKinley Marina	McKinley Marina Redevelopment	25	128	-
Museum	Electrical Distribution Replacement	952	215	176
Museum	Alcohol Specimen Storage Relocation	245	78	146
Museum	Museum Air Handling and Piping Replacement	828	57	143
Other Agencies	Fleet Airport Equipment Acquisitions	12,191	11,599	431
Other Agencies	Fleet Parks Equipment Acquisitions	1,207	1,097	46
Other Agencies	Fleet General Equipment Acquisitions	1,409	907	503
Other Agencies	War Memorial HVAC Replacement	1,009	881	87
Other Agencies	Milwaukee County Historical Society Renovation	2,292	543	1,507
Other Agencies	Rewire County Facilities	458	382	61
Other Agencies	Root River Parkway Road- College & 92nd Street	293	282	21
Other Agencies	County Special Assessments	265	241	-
Other Agencies	Fleet Sheriff Equipment Acquisitions	242	231	-
Other Agencies	Centralized Disc to Disc Backup	212	204	1
Other Agencies	Marcus Center Ballroom Operable Partition Replacement	200	197	3
Other Agencies	War Memorial Center Renovation	212	175	-
Other Agencies	Countywide Technical Infrastructure Improvements	205	169	-
Other Agencies	Connect Computer Room Uninterruptible Power Supply	180	165	-
Other Agencies	Fiber Backbone Construction and Installation	204	161	102
Other Agencies	Milwaukee County Inclusive Housing Fund	1,749	158	-
Other Agencies	Capital Monitoring Database System	557	157	395
Other Agencies	Security Cameras in Criminal Justice Facility	167	96	57

Note 5- Capital Assets (Continued)

Construction Commitments (Continued)

Project Area	Project Description	2008 Appropriations	2008 Expenditures	Committed
Other Agencies	Art Museum Electrical Distribution System Replacement	\$ 521	\$ 91	\$ 70
Other Agencies	Transportation Billing System	90	89	-
Other Agencies	In Squad Cameras- Vision Hawk Digital	196	86	-
Other Agencies	Wil-O-Way Grant Floor Replacement	104	73	31
Other Agencies	Rebuild the Electronics Room in Communications Center	65	62	-
Parks	Lincoln Park Aquatic Center Phase Two	2,587	1,683	1,297
Parks	Wilson Park Recreation Center	1,216	1,156	65
Parks	Currie Park Irrigation	1,303	678	-
Parks	Lincoln Park Family Aquatic Center	902	605	95
Parks	Countywide Play Area Redevelopment Program	492	486	24
Parks	South Shore Bike Trail	450	469	-
Parks	McCarty Park Bathhouse Renovations	426	398	28
Parks	Dineen Park Aquatic Splash Pad	367	368	1
Parks	Mitchell Park Domes Structural Repairs and Painting	384	363	19
Parks	Boerner Gardens Irrigation System	340	305	26
Parks	Countywide Trail and Hard Surface Replacement Program	290	304	-
Parks	Currie Golf Course Irrigation	339	294	7
Parks	McCarty Park Pool Entryway Concessions	190	190	-
Parks	Madison Park Splash Pad Construction	480	174	252
Parks	Dineen Park Bath House Renovation	204	173	25
Parks	Washington Park Splash Pad	540	163	320
Parks	Dretzka Park Golf Course Irrigation	150	145	-
Parks	Martin Luther King Junior Recreation Center Improvements	146	128	12
Parks	Jackson Picnic Comfort Building	119	116	-
Parks	Dretzka Golf Course Construction	129	116	13
Parks	Oak Leaf Trail- Kohl Park	1,015	88	2
Parks	Lincoln Blatz Building Roof	179	81	2
Parks	Mitchell Park Greenhouse	503	81	115
Parks	McCarthy Park Pool Utility Tunnel and Concrete Replacement	92	81	-
Parks	Kosciuszko Acoustical Panels	61	73	-
Parks	Menomonee River Streambank	123	69	19
Parks	Wilson Park Diving Pool Liner	81	67	-
Parks	Oakwood, Whitnall and Brown Deer	60	67	-
Parks	Kosciuszko Gym Floor	79	64	-
Parks	Brady Street Bridge Ramp	60	63	-
Parks	Oak Leaf Trail- West Congress	509	54	-
Parks	Sheridan Park Wading Pool and Dressing Wall Replacement	54	54	-
Parks	Lake Park Lions Bridge	260	53	11
Transit	Diesel Pump & UST Piping-Fond Du Lac Garage	332	332	-
Transit	Roof Replacement at Downtown Transit Center	168	146	3
Transit	Roof Top Air Handling Unit Replacement	64	63	-
Zoo	Apes of Africa Cladding	478	447	14
Zoo	Admission Booth Replacement	294	218	97
Zoo	Pachyderm Corridor Roof Replacement	155	111	32

Note 5- Capital Assets (Continued)

Construction Commitments (Continued)

Project Area	Project Description	2008 Appropriations	2008 Expenditures	Committed
Zoo	Pachyderm Door Replacement	\$ 120	\$ 109	4
Zoo	Winter Quarters Stall Resilient Flooring	112	104	5
Zoo	Small Mammal Renovations	92	89	-
Zoo	Electrical Distribution System	86	86	-
Zoo	Anaconda/Iguana Exhibit Renovation	84	84	-
Zoo	Feline Building Renovation	63	63	-
Zoo	North American Barn Roof Replacement	54	52	-

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

Note 6- Interfund Transfers

The composition of interfund transfers as of December 31, 2008 is as follows:

		Transfers From						
		General	Capital	Business	Business	Internal	Internal	
		Fund	Projects	Type	Type	Service	Service	
Transfers In			Fund	Airport	Transit	IMSD	DPW	Total
General Fund		\$ -	\$ 1,763	\$ 2,758	\$ 284	\$ 917	\$ 1,470	\$ 7,192
Debt Service		47,758	-	-	-	-	-	47,758
Internal Service								
Risk Management		643	-	-	-	-	-	643
IMSD		166	-	-	-	-	-	166
DPW		3,573	-	-	-	-	-	3,573
Business-type								
Airport		97	-	-	-	-	-	97
Transit		19,048	-	-	-	-	-	19,048
Total		\$ 71,285	\$ 1,763	\$ 2,758	\$ 284	\$ 917	\$ 1,470	78,477
Less: Government-wide eliminations								(62,374)
Total Transfers- Government-wide Statement of Activities								\$ 16,103

Note 6- Interfund Transfers (Continued)

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

Note 7- Leases

Operating Leases- Primary Government

The County leases facilities, office equipment, and vehicles. Total costs for such leases were \$ 2,626 for the year ended December 31, 2008.

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

<u>Year Ending</u> <u>December 31</u>	<u>Amount</u>
2009	\$ 2,480
2010	2,072
2011	768
2012	689
2013	<u>625</u>
	<u>\$ 6,634</u>

Capital Leases-Primary Government

During 2008, the County entered into a Guaranteed Energy Savings Performance Contract to improve the County's energy efficiency and promote environmental sustainability. The County is leasing equipment for a period of 10 years and is required to make annual lease payments during the life of the contract. At the end of the lease term, ownership of the equipment will transfer to the County. The gross amount of these assets under capital leases is \$ 4,842 and is presented in the capital assets in the governmental activities.

In prior years, the County entered into capital lease agreements for various Airport vehicles and equipment. At the end of the lease term, ownership of the equipment will transfer to the County. The gross amount of these assets under capital leases is \$ 620 and is presented in the capital assets in the business-type activities.

Note 7- Leases (Continued)

Capital Leases-Primary Government (Continued)

The assets acquired through capital leases are as follows:

Asset:	Governmental <u>Activities</u>	Business-type <u>Activities</u>
Machinery and Equipment	\$ 4,842	\$ -
Vehicles and Related Equipment	-	620
Less: Accumulated Depreciation	<u>(339)</u>	<u>(375)</u>
Total	<u>\$ 4,503</u>	<u>\$ 245</u>

The future minimum lease payments and the net present value on these minimum lease payments as of December 31, 2008, are as follows:

Year Ending <u>December 31</u>	Governmental <u>Activities</u>	Business-type <u>Activities</u>
2009	\$ 578	\$ 158
2010	578	108
2011	578	-
2012	578	-
2013	578	-
2014-2017	<u>2,401</u>	<u>-</u>
Sub-totals	5,291	266
Less: Amount Representing Interest	<u>(788)</u>	<u>(21)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 4,503</u>	<u>\$ 245</u>

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Note 8- Long-term Liabilities

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2008 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Payments &</u> <u>Adjustments</u>	<u>Ending</u> <u>Balance</u>	<u>Due in</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable					
General Obligation Bonds	\$ 414,503	\$ 30,675	\$ (43,791)	\$ 401,387	\$ 44,967
Add (Subtract) Deferred Amounts for:					
Premium	6,728	31	(1,298)	5,461	-
Discount	(881)	-	100	(781)	-
Loss on Refunding	(7,094)	-	1,270	(5,824)	-
Accretion	9,595	-	980	10,575	-
Sub-totals Bonds Payable	<u>422,851</u>	<u>30,706</u>	<u>(42,739)</u>	<u>410,818</u>	<u>44,967</u>
Other Liabilities					
Pension Obligation	24,369	48,910	(34,913)	38,366	6,540
Unfunded Claims and Judgments	20,000	1,875	(1,875)	20,000	1,000
Landfill Post-closure Costs	4,235	10	-	4,245	395
Pollution Remediation Costs	-	315	-	315	-
Compensated Absences	52,425	26,619	(26,874)	52,170	24,184
Risk Claims	8,989	8,190	(6,612)	10,567	7,007
Other Post Employment Benefits	47,616	124,793	(67,496)	104,913	-
Capital Leases	-	4,842	(339)	4,503	426
Sub-total Other Liabilities	<u>157,634</u>	<u>215,554</u>	<u>(138,109)</u>	<u>235,079</u>	<u>39,552</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 580,485</u>	<u>\$ 246,260</u>	<u>\$ (180,848)</u>	<u>\$ 645,897</u>	<u>\$ 84,519</u>
Business-type Activities:					
Bonds Payable					
General Obligation Bonds	\$ 29,353	\$ 185	\$ (3,240)	\$ 26,298	\$ 3,579
Revenue Bonds	183,935	-	(7,415)	176,520	7,520
Add (Subtract) Deferred Amounts for:					
Premium	3,433	-	(531)	2,902	-
Discount	(2,773)	-	471	(2,302)	-
Loss on Refunding	(451)	-	80	(371)	-
Accretion	191	-	20	211	-
Sub-totals Bonds Payable	<u>213,688</u>	<u>185</u>	<u>(10,615)</u>	<u>203,258</u>	<u>11,099</u>
Other Liabilities					
Compensated Absences	12,310	5,620	(5,148)	12,782	6,372
Risk Claims	13,365	249	(5,101)	8,513	5,177
Other Post Employment Benefits - Transit	-	15,137	(15,137)	-	-
Other Post Employment Benefits - Airport	1,906	2,191	-	4,097	-
Capital Leases	400	-	(155)	245	144
Sub-total Other Liabilities	<u>27,981</u>	<u>23,197</u>	<u>(25,541)</u>	<u>25,637</u>	<u>11,693</u>
Total Business-Type Activities Long-term Liabilities	<u>\$ 241,669</u>	<u>\$ 23,382</u>	<u>\$ (36,156)</u>	<u>\$ 228,895</u>	<u>\$ 22,792</u>

Note 8- Long-term Liabilities (Continued)

Changes in Long-term Liabilities (Continued)

Compensated Absences consist of the following:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Payments &</u> <u>Adjustments</u>	<u>Ending</u> <u>Balance</u>	<u>Due in</u> <u>One Year</u>
Governmental Activities:					
Retirement sick pay payout	\$ 27,320	\$ 5,017	\$ (1,769)	\$ 30,568	\$ 2,582
Vacation time earned	20,563	18,638	(20,563)	18,638	18,638
Overtime earned	1,897	1,196	(1,897)	1,196	1,196
Holiday pay	2,645	1,768	(2,645)	1,768	1,768
Total Compensated Absences -					
Governmental Activities	\$ 52,425	\$ 26,619	\$ (26,874)	\$ 52,170	\$ 24,184
Business-type Activities:					
Retirement sick pay payout	\$ 7,270	\$ 310	\$ (106)	\$ 7,474	\$ 1,064
Vacation time earned	4,774	4,908	(4,776)	4,906	4,906
Overtime earned	70	333	(70)	333	333
Holiday pay	196	69	(196)	69	69
Total Compensated Absences -					
Business-type Activities	\$ 12,310	\$ 5,620	\$ (5,148)	\$ 12,782	\$ 6,372

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end \$ 68,211 of internal service funds long-term liabilities are included in the above figures. Also, for the governmental activities, claims and judgments and compensated absences are liquidated as they come due for payment and their adjustments are made at year end based on a detailed reevaluation of the account. As claims and judgments expenditures are incurred the general fund is used to liquidate the costs.

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

Unfunded claims and judgments include estimated costs for outstanding medical, environmental, and other claims. At December 31, 2008, the outstanding amount of claims and judgments due within one year totaled \$ 1,000.

State and federal laws require the County to perform certain maintenance and monitoring functions at all of its solid waste landfill sites. Since all of the County's eleven landfill sites are no longer accepting waste, the total future costs of

Note 8- Long-term Liabilities (Continued)

Changes in Long-term Liabilities (Continued)

\$ 4,245 has been identified for maintenance and monitoring functions in accordance with Governmental Accounting Standards Board Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The funding for these post-closure costs will be included in future County tax levies.

In accordance with GASB Statement No. 49, the County has recorded a long-term liability for its estimated pollution remediation costs. At December 31, 2008, the estimated liability for pollution remediation costs totaled \$ 315. These costs are related to cleanup of underground petroleum contamination on County-owned land.

Governmental Activities

Proceeds from general obligation bonds issued during the year are budgeted for and recorded within the Capital Projects Fund and subsequently allocated to Business-Type 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.

Governmental Activities General Obligation Debt						
Bond Issue	Date of Bonds	Final Maturity Date	Interest Rate	Original Indebted- ness	Principal Outstanding 12/31/08	Interest to Maturity
General Obligation Refunding Bonds, Series 1993A	10/15/93	12/01/11	5.04%	\$ 56,493	\$ 7,926	\$ 12,640
General Obligation Museum Refunding Bonds, Series 1999A	05/27/99	10/01/13	4.67%	2,290	905	134
General Obligation Corporate Purpose Refunding Bonds, Series 1999A	03/01/99	10/01/12	4.22%	31,030	11,737	1,262
General Obligation Corporate Purpose Bonds, Series 1999A	05/01/99	10/01/14	4.48%	45,622	3,272	164
General Obligation Corporate Purpose Bonds, Series 2000A	03/01/00	09/01/15	5.46%	44,860	3,132	168
Refunding Bonds (Taxable), Series 2001A	06/01/01	12/01/11	6.06%	2,610	750	94
Corporate Purpose Refunding Bonds, Series 2001A	10/01/01	12/01/11	3.92%	46,467	16,823	1,082

Note 8- Long-term Liabilities (Continued)

Governmental Activities (Continued)

Bond Issue	Governmental Activities General Obligation Debt					
	Date of Bonds	Final Maturity Date	Interest Rate	Original Indebted- ness	Principal Outstanding 12/31/08	Interest to Maturity
General Obligation Corporate Purpose Bonds, Series 2001A	04/01/00	10/01/16	4.40%	\$ 37,830	\$ 18,310	\$ 4,120
Refunding Bonds, Series 2002A	06/01/02	09/01/10	3.98%	56,894	14,190	1,064
General Obligation Corporate Purpose Bonds, Series 2002A	02/01/02	08/01/17	4.20%	36,926	20,531	5,270
General Obligation Refunding Bonds, Series 2003A	07/01/03	08/01/17	3.48%	93,515	93,515	17,431
General Obligation Corporate Purpose Bonds, Series 2003A	02/01/03	08/01/18	3.95%	23,520	15,411	4,405
General Obligation Corporate Purpose Bonds, Series 2004A	02/01/04	08/01/19	3.72%	25,233	19,517	5,037
Wisconsin Trust Loan	05/19/04	03/15/09	6.00%	19,167	4,271	252
General Obligation Corporate Purpose Bonds, Series 2005A	11/01/05	12/01/20	4.24%	23,660	20,177	6,373
General Obligation Refunding Bonds, Series 2005B	11/01/05	10/01/15	3.89%	59,675	59,178	11,335
General Obligation Corporate Purpose Bonds, Series 2006A	04/01/06	10/01/21	4.14%	30,776	28,170	10,923
General Obligation Corporate Purpose Bonds, Series 2007A	06/01/07	12/01/22	4.12%	32,422	31,897	11,096
Wisconsin Trust Fund Loan	09/01/07	03/15/17	5.25%	1,000	1,000	319
General Obligation Corporate Purpose Bonds, Series 2008A	06/01/08	12/01/23	3.93%	30,675	30,675	12,064
Total Governmental Activities Debt					\$ 401,387	\$ 105,233

The ratio of the aggregate indebtedness of all taxing authorities located within the County to equalized value of the taxable property was approximately 4.22% including .64% related to direct County indebtedness at December 31, 2008. Wisconsin Statutes limit the County's direct general obligation borrowing to an amount equivalent to 5% of the equalized valuation of taxable property. At December 31, 2008 under Wisconsin Statutes, the County could borrow an additional \$ 2,973,942.

At December 31, 2008, the weighted average interest rate of general obligation bonds and notes outstanding was 3.97%.

Note 8- Long-term Liabilities (Continued)

Governmental Activities (Continued)

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

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service Requirements</u>
2009	\$ 44,967	\$ 21,438	\$ 66,405
2010	44,521	18,830	63,351
2011	44,122	17,822	61,944
2012	47,721	11,232	58,953
2013	48,091	9,261	57,352
2014-2018	133,597	22,615	156,212
2019-2023	38,368	4,035	42,403
Total Debt Service	<u>\$ 401,387</u>	<u>\$ 105,233</u>	<u>\$ 506,620</u>

On June 1 2008, the County issued \$ 30,860 of General Obligation Corporate Purpose Bonds, Series 2008A. Total proceeds of \$ 30,901 (par amount of bond issue of \$ 30,860, net premium of \$ 31, plus accrued interest of \$ 10) 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 of the County's 2008 Adopted Capital Improvement Budget. The bonds of \$ 30,675 and \$ 185 were recorded in Governmental Activities and the Business-type Activities columns on the Statement of Net Assets, respectively. Major expenditure categories include:

Legislative, Executive and Staff	\$ 857
General Governmental Services	1,017
Public Safety	1,152
Public Works and Highways	8,333
Human Services	1,871
Parks, Recreation and Culture	11,047
Other Capital Projects	6,583
Total	<u>\$ 30,860</u>

These bonds have semi-annual interest payments on June 1 and December 1 through 2023. The interest rate is 3.0% for 2009 through 2013, 3.25% from 2014 through 2015, 3.50% from 2016 through 2017, 4.00% from 2018 through 2020, 4.25% from 2021 through 2022, and 4.50% in 2023.

Note 8- Long-term Liabilities (Continued)

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 \$184,213 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 31, 2032. The Coverage Fund is equal to 25% of the highest annual revenue bond debt service amount. Net revenues plus Coverage Fund assets are required to cover a minimum of 125% of annual debt service for the revenue bonds. Principal and interest paid for the current year and net revenues plus Coverage Fund assets were \$16,876 and \$25,155, respectively, resulting in net revenues plus Coverage Fund assets of 149% of annual debt service for 2008. The total principal and interest remaining to be paid on the bonds is \$280,779.

Business-type Activities General Obligation and Revenue Bond Debt

Bond Issue	Date of Bonds	Final Maturity Date	Interest Rate	Original Indebted- ness	Principal Outstanding 12/31/08	Interest to Maturity
General Obligation Refunding Bonds, Series 1993A	10/15/93	12/01/11	5.04%	\$ 1,207	\$ 158	\$ 252
General Obligation Airport Bonds, Series 1999A	05/01/99	10/01/14	4.60%	6,825	2,730	451
General Obligation Corporate Purpose Bonds, Series 1999A	05/01/99	10/01/14	4.48%	4,803	303	15
General Obligation Corporate Purpose Refunding Bonds, Series 1999A	03/01/99	10/01/12	4.22%	1,695	603	65
General Airport Revenue Bonds, Series 2000A	06/01/00	12/01/25	5.80%	83,565	62,445	32,912
General Obligation Corporate Purpose Bonds, Series 2000A	03/01/00	09/01/15	5.46%	2,365	168	9
Airport Refunding Bonds, Series 2001A	10/01/01	12/01/11	4.47%	1,450	435	39
Corporate Purpose Refunding Bonds, Series 2001A	10/01/01	12/01/11	3.92%	3,458	1,252	81
General Obligation Corporate Purpose Bonds, Series 2001A	04/01/00	10/01/16	4.40%	3,495	1,690	380
Refunding Bonds, Series 2002A	06/01/02	09/01/10	3.98%	6,056	1,510	113
General Obligation Corporate Purpose Bonds, Series 2002A	02/01/02	08/01/17	4.20%	4,299	2,194	563
General Airport Revenue Bonds, Series 2003A	01/01/03	12/01/22	4.88%	7,125	5,250	2,035
General Obligation Refunding Bonds, Series 2003A	07/01/03	08/01/17	3.48%	6,510	6,510	1,213

Note 8- Long-term Liabilities (Continued)

Business-type Activities (Continued)

Business-type Activities General Obligation and Revenue Bond Debt

Bond Issue	Date of Bonds	Final Maturity Date	Interest Rate	Original Indebtedness	Principal Outstanding 12/31/08	Interest to Maturity
General Obligation Corporate Purpose Bonds, Series 2003A	02/01/03	08/01/18	3.95%	\$ 2,430	\$ 1,914	\$ 547
General Airport Revenue Bonds, Series 2004A	03/31/04	12/01/29	4.47%	37,360	33,690	19,662
General Obligation Corporate Purpose Bonds, Series 2004A	02/01/04	08/01/19	3.72%	1,717	1,438	371
General Obligation Corporate Purpose Bonds, Series 2005A	11/01/05	12/01/20	4.24%	950	873	283
General Airport Revenue Bonds, Series 2005A	12/22/05	12/01/30	4.90%	29,010	28,645	21,863
Airport Refunding Bonds, Series 2005B	12/22/05	12/01/14	3.65%	7,755	5,470	792
General Obligation Refunding Bonds, Series 2005B	11/01/05	10/01/15	3.89%	3,350	3,322	636
General Obligation Corporate Purpose Bonds, Series 2006A	04/01/06	10/01/21	4.14%	819	810	324
General Airport Revenue Bonds, Series 2006A	11/16/06	12/01/31	4.60%	25,665	25,045	17,254
Airport Refunding Bonds, Series 2006B	10/01/06	12/01/15	4.08%	5,020	2,790	515
General Airport Revenue Bonds, Series 2007A	11/15/07	12/01/32	4.60%	13,445	13,185	9,221
General Obligation Corporate Purpose Bonds, Series 2007A	06/01/07	12/01/22	4.12%	203	203	74
General Obligation Corporate Purpose Bonds, Series 2008A	06/01/08	12/01/23	3.93%	185	185	79
Total Business-Type Debt					\$ 202,818	\$ 109,749

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Note 8- Long-term Liabilities (Continued)

Business-type Activities (Continued)

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

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service Requirements</u>
2009	\$ 11,099	\$ 10,311	\$ 21,410
2010	10,899	9,798	20,697
2011	10,751	9,297	20,048
2012	11,127	8,679	19,806
2013	11,317	8,133	19,450
2014-2018	48,445	32,684	81,129
2019-2023	45,144	20,489	65,633
2024-2028	38,465	8,975	47,440
2029-2032	15,571	1,383	16,954
Total Debt Service	\$ 202,818	\$ 109,749	\$ 312,567

Business-type Activities- Revenue Bonds

On November 15, 2007, the County issued \$13,445 of Airport Revenue Bonds, Series 2007A. The 2007 Bonds are special obligations of the County, payable solely from revenue of the County derived from the ownership and operation of General Mitchell International Airport and Lawrence J. Timmerman Airport on a parity with the County's Airport Revenue Bonds, Series 2000A, dated June 1, 2000, Airport Revenue Bonds, Series 2003A, dated January 1, 2003, Airport Revenue Bonds, Series 2004A, dated March 31, 2004, Airport Revenue Bonds, Series 2005A, dated December 15, 2005, Airport Revenue Bonds, Series 2006A, dated November 16, 2006 (the "Outstanding Revenue Bonds"), and any additional airport revenue bond which may hereafter be issued by the County, as provided in the General Resolution. The 2007 Bonds will not be a general obligation of the County, nor will the County be obligated to levy any taxes in connection with the 2007 Bonds. The 2007 Bonds have semi-annual interest payments on June 1 and December 1. The Airport Revenue Bonds, Series 2007A interest rate is 5.0% for 2008 through 2019, 4.13% for 2020, 4.25% for 2021 through 2022, 4.5% for 2023 through 2027, and 5.0% for 2028 through 2032.

On November 16, 2006, the County issued \$25,665 of Airport Revenue Bonds, Series 2006A. The 2006 Bonds are special obligations of the County, payable solely from revenue of the County derived from the ownership and operation of General Mitchell International Airport and Lawrence J. Timmerman Airport on a parity with the County's Airport Revenue Bonds, Series 2000A, dated June 1,

Note 8- Long-term Liabilities (Continued)

Business-type Activities- Revenue Bonds (Continued)

2000, Airport Revenue Bonds, Series 2003A, dated January 1, 2003, Airport Revenue Bonds, Series 2004A, dated March 31, 2004, Airport Revenue Bonds, Series 2005A, dated December 15, 2005 (the "Outstanding Revenue Bonds"), and any additional airport revenue bond which may hereafter be issued by the County, as provided in the General Resolution. The 2006 Bonds will not be a general obligation of the County, nor will the County be obligated to levy any taxes in connection with the 2006 Bonds. The 2006 Bonds have semi-annual interest payments on June 1 and December 1. The Airport Revenue Bonds, Series 2006A interest rate is 4.0% for 2008 through 2016, 5.00% for 2021 through 2031.

On December 22, 2005 the County issued \$29,010 of Airport Revenue Bonds, Series 2005A. The 2005 Bonds are special obligations of the County, payable solely from revenue of the County derived from the ownership and operation of General Mitchell International Airport and Lawrence J. Timmerman Airport on a parity with the County's outstanding revenue bonds, and any additional airport revenue bond which may hereafter be issued by the County, as provided in the General Resolution. The 2005 Bonds will not be a general obligation of the County, nor will the County be obligated to levy any taxes in connection with the 2005 Bonds. The 2005 Bonds have semi-annual interest payments on June 1 and December 1. The Airport Revenue Bonds, Series 2005A interest rate is 4.0% for 2006 through 2014, 5.25% for 2015 through 2026, 4.875% for 2027 through 2029, and 4.7% for 2030. The Series 2005A Bonds are not callable for redemption prior to December 1, 2016.

On March 31, 2004, the County issued \$37,360 of Airport Revenue Bonds, Series 2004A. The bonds are special obligations of the County, payable solely from revenues of the County derived from the ownership and operation of General Mitchell International Airport and Lawrence J. Timmerman Airport on a parity with the County's outstanding revenue bonds. The Series 2004 Bonds are not a general obligation of the County, nor will the County be obligated to levy any taxes in connection with the bonds. The bonds have semi-annual interest payments on June 1 and December 1 through 2029. The interest rate is 2.0% for 2005 and 2006, 2.5% for 2007, 3.0% for 2008 and 2009, 5.0% for 2010 through 2017, 4.625% for 2018 through 2024, and 4.50% for 2025 through 2029.

On January 1, 2003, the County issued \$7,125 of Airport Revenue Bonds, Series 2003A. The bonds are special obligations of the County, payable solely from revenues of the County derived from the ownership and operation of General Mitchell International Airport and Lawrence J. Timmerman Airport on a parity with the County's outstanding revenue bonds. The Series 2003 Bonds are not a general obligation of the County, nor will the County be obligated to levy any

Note 8- Long-term Liabilities (Continued)

Business-type Activities- Revenue Bonds (Continued)

taxes in connection with the bonds. The bonds have semi-annual interest payments on June 1 and December 1 through 2022. The interest rate is 3.0% for 2004 through 2006, 3.25% for 2007 and 2008, 3.75% for 2009, 4.00% for 2010, 4.25% for 2011, 4.50% for 2012, 4.625% for 2013, 5.0% for 2014-2016, 5.25% for 2017-2019, and 5.5% for 2020 through 2022.

On June 22, 2000, the County issued \$83,565 of Airport Revenue Bonds, Series 2000A. The bonds are special obligations of the County, payable solely from revenues of the County derived from the ownership and operation of General Mitchell International Airport and Lawrence J. Timmerman Airport on a parity with the County's outstanding revenue bonds. The Series 2000 Bonds are not a general obligation of the County, nor will the County be obligated to levy any taxes in connection with the bonds. The bonds have semi-annual interest payments on June 1 and December 1 through 2020 with \$18,350 term bonds due December 1, 2025. The interest rate is 5.50% for 2003 through 2004, 5.00% for 2005, 5.75% for 2006 through 2008, 5.25% for 2009 through 2010, 5.75% for 2011, and 6.00% for 2012 through 2020. The interest rate is 5.75% for the term bonds due December 1, 2025.

Prior-Year Defeasance of Debt

In prior years, the County defeased certain general obligation bonds and Airport revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased notes and bonds are not included in the County's financial statements. At December 31, 2008, \$41,410 of bonds outstanding is considered defeased.

Debt Issued on Behalf of Other Entities/ Conduit Debt

In 2003, the County guaranteed \$ 14,200 of loans for a local corporation. The loans are secured by mortgages and a cash trust of \$ 5,906 on certain buildings. The loan and guarantee remain unchanged.

In 2004, the County provided a guarantee of \$ 1,000 of the \$ 3,200 loan of a non-profit corporation for the purchase of a building. The guarantee is secured by a second mortgage on the purchased building. The guarantee decreases over the term of the loan and is currently \$ 200.

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

Note 8- Long-term Liabilities (Continued)

Debt Issued on Behalf of Other Entities/ Conduit Debt (Continued)

to fund infrastructure development costs in TID #2. In 2004, the Wauwatosa Redevelopment Authority issued lease revenue bonds of \$ 24,500 for construction of facilities at the Milwaukee County Research Park located in TID #2. In 2007, the Wauwatosa Redevelopment Authority retired \$7,100 of principal remaining on the 1997 bonds with redevelopment refunding lease revenue bonds of \$6,200. The County has agreed to guarantee the payment of the lease revenue bonds, if the tax increments generated by Tax Incremental District #2 are insufficient to pay principal and interest due on the 2004 and 2007 notes. The 2004 and 2007 redevelopment lease notes outstanding as of December 31, 2008 was \$ 22,325 and \$ 6,200, respectively.

Note 9- Net Assets

Governmental Activities

Restricted net assets consist of the following:

Net Assets- Restricted for Debt Service	\$	10,757
Net Assets- Restricted for Aging CMO		6,142
Net Assets- Restricted for Airport – PFC and Debt		34,082
Net Assets- Restricted for Health & Safety		136
Net Assets- Restricted for Zoo		685
Net Assets- Restricted for Parks		1,072
Net Assets- Restricted for Persons with Disabilities		128
Net Assets- Restricted for Behavioral Health Division		9,344
Total Net Assets - Restricted - Governmental Activities	\$	62,346

Business-type Activities

Restricted net assets consist of the following:

Net Assets- Restricted for Revenue Bonds	\$	14,000
Net Assets- Restricted for Capital Asset Needs at the Airport		5,115
Total Net Assets - Restricted - Business-type Activities	\$	19,115

Note 9- Net Assets (Continued)

Discretely Presented Component Units

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

Restricted Building Account-War Memorial	\$	69
Restricted for Programming Events- Marcus Center for the Performing Arts		14
Research Development Fund-Research Park		182
Total	\$	265

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

Temporarily Restricted

Exhibits and Museum Renovations	\$	531
Educational Lecture Costs		99
Purchase and Maintenance of Collections		666
Restricted for time		564
Held by Friends of the Museum		60
Capital Campaign		3,552
Endowment Fund		
Purchase and Maintenance of Collections		435
Internship Programs		31
Total Temporarily Restricted Assets	\$	5,938

Permanently Restricted

Operations	\$	1,075
Special Exhibits		1,237
Starr Adventure and Internship		71
Total Permanently Restricted Assets	\$	2,383

Note 10- Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employee or natural disasters. The County uses a Risk Management Fund, which is presented as an internal service fund, to account for the financing of uninsured risks of loss. The County is self-insured for worker's compensation. In accordance with Wisconsin Statutes, the County's overall exposure for general liability and automobile liability is limited to \$ 50 and \$ 250 per person respectively. The County purchases commercial insurance to cover a substantial portion of the potential general liability, automobile liability and discrimination claims. The County also purchases commercial insurance for claims in excess of coverage provided by the Risk Management Fund and for all other risks of loss. Settled claims from insured

Note 10- Risk Management (Continued)

losses have not exceeded commercial insurance coverage for each of the past three years.

All funds of the County except for the Transit System participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a claims reserve. In accordance with Governmental Accounting Standards Board Statement No 10, a liability for claims is reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The claims liability at December 31, 2008 was \$ 10,567.

The County has recognized \$ 10,567 of claims liabilities in the Risk Management Fund. The Risk Management Fund has \$ 10,567 of cash to pay for this liability. Changes in the balances of claim liabilities during the past two years are as follows:

	Year ended 12/31/2008	Year ended 12/31/2007
Beginning of year Liability	\$ 8,989	\$ 8,448
Current Year Claims and Changes in Estimates	8,190	6,181
Claims Payments	<u>(6,612)</u>	<u>(5,640)</u>
End of Year Liability	<u>\$ 10,567</u>	<u>\$ 8,989</u>

The claims liability for the Transit System at December 31, 2008 was \$ 8,513. The Transit System has recognized \$ 8,513 of claims liability in the Transit System fund. Changes in the Transit System balances of the claims liability for the past two years are as follows:

	Year ended 12/31/2008	Year ended 12/31/2007
Beginning of year Liability	\$ 13,365	\$ 14,459
Current Year Claims and Changes in Estimates	249	11,835
Claims Payments	<u>(5,101)</u>	<u>(12,929)</u>
End of Year Liability	<u>\$ 8,513</u>	<u>\$ 13,365</u>

Note 11- Related Party Transactions

Milwaukee County provides funds required for the operation of the War Memorial Center, Charles Allis/ Villa Terrace Art Museums and Marcus Center for the Performing Arts. To the extent these funds exceed actual disbursements, such excess is required to be returned to Milwaukee County. Milwaukee County and

Note 11- Related Party Transactions (Continued)

the War Memorial Center agreed that when revenues exceed budget, the War Memorial Center is permitted to create a reserve account whereas up to \$ 25 can be deposited annually. These funds are to be used in future years for the War Memorial Center's operational needs. Total appropriations received by the Memorial for 2008 were \$ 1,748. Interest earned on the investment of excess funds is not considered to be revenue, which must be returned to Milwaukee County. Milwaukee County has agreed to permit this interest income to be used at the discretion of the Board of Trustees for the benefit of their respective operations.

The Milwaukee County Treasurer's office acts as the trustee for the Charles Allis Art Museum Trust. Distributions from the trust totaling \$ 10 were made to the Memorial during 2008.

Effective January 1, 2006, the Marcus Center for the Performing Arts was granted tax-exempt status by the Internal Revenue Service and the Wisconsin Department of Revenue and now operates as a separate entity. Total appropriations received by the Marcus Center from Milwaukee County for the fiscal year ending December 31, 2008 were \$ 1,280.

Milwaukee County has legal title to the Milwaukee Public Museum building, exhibits and artifacts, including any building improvements and additions funded by the County or the Milwaukee Public Museum. All such assets are leased to the Milwaukee Public Museum under a long-term lease.

Milwaukee County and the Milwaukee Public Museum entered into an agreement, which provides for the not-for-profit operations and management of the Museum. The agreement, effective March 31, 1992, encompasses (1) the lease and management of the Museum and (2) the transition of employees to MPM, Inc. The lease and management agreement includes annual rental payments of \$10.00 (ten dollars) and is renewable every five years through March 31, 2042. MPM, Inc. is responsible for all real estate taxes (if any), utilities, insurance, normal repair and maintenance expenses. The agreement also provides for substantially equivalent employee benefits for all employees then employed by the County who became employees of MPM, Inc. in 1992. The County is responsible for, among other items, any special assessments, structural repairs and capital projects. The agreement also requires the County to pay annual support. As a result of the amendment to the agreement in fiscal 1999, the base annual support level of \$ 4,300 since April 1992 remained in effect through March 21, 2002, at which time the County and MPM, Inc. were required to renegotiate a new base level funding agreement.

An amendment was made to the lease agreement in 2005, which committed the County to \$3,381 of base level funding. In 2007, the lease agreement was

Note 11- Related Party Transactions (Continued)

amended again as part of a recovery plan for the Milwaukee Public Museum. The amendment provides for base annual operating support of \$ 3,502 per year for 10 years beginning in 2008 and ending in 2017. In addition, the County committed to a minimum of \$ 4,000 of in capital expenditures over a period of five years, from 2008 to 2012 for infrastructure and deferred maintenance projects. Total payments for the Milwaukee Public Museum's years ended August 31, 2008, and 2007 was \$ 3,444 and \$ 3,385, respectively.

Milwaukee County and the Milwaukee County Research Park Corporation entered into a ground lease for 100 years commencing March 24, 1993 at \$ 1.00 (one dollar) per year. This lease covers approximately 158 acres consisting of the southwest quadrant, the Watertown Plank Road Park and Ride Lot and approximately 15 acres of northeast quadrant of the Milwaukee County grounds located in Wauwatosa, Wisconsin.

Milwaukee County and the Milwaukee County Research Park Corporation entered into a lease, dated March 15, 1993 to manage and sublease the Technology Innovation Center (TIC), also known as M-1. By an agreement, dated September 30, 1998, the lease was extended through September 30, 2003 with three additional five-year option periods commencing October 1, 2003. On July 18, 2000, the Milwaukee County Research Park Corporation exercised the first option period extending the lease through September 30, 2008. In June of 2008, the Corporation exercised the second option period extending the lease through September 30, 2013. The rentable space now comprises most of the basement and the entire first through fifth floors of the building. The rent due to Milwaukee County is based on space actually occupied by tenants and requires the Milwaukee County Research Park Corporation to charge annual base rentals of not less than \$ 7.50 (seven dollars and 50 cents) per tenant occupied space foot, payable monthly. Discounts to the base rental amount require approval by Milwaukee County. As occupancy occurs, the Milwaukee County Research Park Corporation will pay Milwaukee County 66-2/3% of the base rent collected.

Note 12- Subsequent Events

In March 2009, the County issued \$ 265,000 of 20-year Taxable General Obligation Notes, Series 2009A and \$135,000 of 5-year Taxable Note Anticipation Notes, Series 2009B. The net proceeds are being contributed to the Employee's Retirement System of the County of Milwaukee ("ERS") to reduce the Unfunded Actuarial Accrued Liability ("UAAL"). The taxable note proceeds of \$ 397,797 were contributed to ERS on April 2, 2009 and were considered a 2008 contribution for actuarial purposes. As a result, the ERS UAAL reported in the Required Supplementary Information declined to \$ 88,859 as of January 1, 2009 from \$ 397,635 as of January 1, 2008. The January 1, 2009 UAAL is still showing an unfunded balance due to investment losses that occurred in 2008.

Note 12- Subsequent Events (Continued)

In May 2009, the County and the Milwaukee County Employee Retirement System settled its lawsuit against its former actuary in the amount of \$ 45,000. It is anticipated that after the payment of attorney fees and other legal costs approximately \$ 30,000 will be available for transfer to the Retirement System.

Note 13- Commitments and Contingencies

Claims and Other Legal Proceedings

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

Storm and Sanitary Sewer System

The County has sanitary sewer and storm sewer systems that it is responsible for on County land. The State Attorney General issued an order that requires monitoring, maintenance, and repair of these systems. The purpose of this order is to ensure that the metropolitan areas sanitary sewer systems receive only sanitary system flow from the County. Storm water shall not be allowed to flow into the metropolitan sanitary system. The order will require future capital and operating commitments. For 2009, the commitment is \$ 1,500.

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, 2008.

Note 14- Other Post-employment Benefits

Countywide Program (excluding Transit System)

Description and Provisions

The County administers a single-employer defined benefit healthcare and life insurance plans for retired employees. The plans provide health and life

Note 14- Other Post-employment Benefits (Continued)

Countywide Program (excluding Transit System Continued)

Description and Provisions (Continued)

insurance contributions for eligible retirees and eligible spouses through the County's self-insured health insurance plans and the County's group life insurance plan. The retiree healthcare and life insurance plans do not issue separate financial reports.

The retiree healthcare benefits are authorized by County Ordinance, Section 17.14. The retirement health benefit is non-contributory for retirees with 15 or more years of service who were hired before January 1, 1994, except for certain union groups, which have a later cut off date for this benefit. Retirees with less than 15 years of service pay full premium. Retiree health insurance premiums are charged at different rates than active employees. Retirees may enroll in either a self-insured Health Maintenance Organization (HMO) or a self-insured Preferred Provider Option (PPO). The non-contributory health benefit includes reimbursement of the Medicare Part B premium for retirees and covered spouses. Employees hired on and after January 1, 1994 are responsible for the full cost of the health insurance premiums upon retirement. These employees shall have the full value of their accrued sick allowance at the time of retirement (total hours accrued times the hourly rate at the time of retirement) credited toward the cost of health insurance after retirement. See Note 1.D.6 for information regarding the County's accrued sick leave liability as of December 31, 2008.

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

Funding Policy

The health insurance and life insurance benefits for retirees are financed on a pay-as-you-go basis with current tax levy funds. The County pays 100 percent of the health insurance premium for employees 15 or more years of service that were hired before January 1, 1994. Retirees with less than 15 years of service and employees hired on and after January 1, 1994 are responsible for 100 percent of the health insurance premium after retirement. Employees who retire

Note 14- Other Post-employment Benefits (Continued)

Countywide Program (excluding Transit System Continued)

Funding Policy (Continued)

with no break in service from active employee status that were hired before January 1, 1994 pay group term life insurance premiums at the same contribution schedule as when actively employed. Employees hired on and after January 1, 1994 pay 100 percent of the life insurance premiums upon retirement.

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost (expense) is calculated based on the Annual Required Contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability (or asset) over a period not to exceed thirty years. The following schedules provide the components of the County's 2008 and 2007 OPEB costs:

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

	<u>2008</u>	<u>2007</u>
Normal Cost	\$ 18,392	\$ 13,802
Amortization of Unfunded Actuarial Accrued Liability	112,349	95,796
Annual Required Contribution (ARC)	130,741	109,598
Interest on Net OPEB Obligation	2,971	-
Adjustment to the ARC	(6,728)	-
Annual OPEB Cost	\$ 126,984	\$ 109,598

**Schedule of Employer Contributions
for the Year Ending December 31**

	<u>2008</u>	<u>2007</u>
Premiums Paid on Behalf of Retirees	\$ 69,178	\$ 61,042
Less: Retiree Contributions	(1,682)	(966)
Net Employer Contribution	\$ 67,496	\$ 60,076
Percent of Annual OPEB Cost Contributed by Employer	53.2%	54.8%

**Schedule of Net OPEB Obligation
For the Year Ending December 31, 2008**

	<u>2008</u>	<u>2007</u>
Net OPEB Obligation - January 1, 2008	\$ 49,522	\$ -
Annual OPEB Cost	126,984	109,598
Less: Net Employer Contributions	(67,496)	(60,076)
Net OPEB Obligation - December 31, 2008	\$ 109,010	\$ 49,522

Note 14- Other Post-employment Benefits (Continued)

Countywide Program (excluding Transit System Continued)

Funded Status and Funding Progress

As of January 1, 2008, the most recent actuarial valuation date, the County's OPEB plan was not funded. The actuarial accrued liability for benefits was \$1,546,458, and there was no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,546,458. The annual payroll of active employees covered by the plan was \$118,977, and UAAL as a percentage of covered payroll was 7.7 percent.

Actuarial Assumptions and Methods

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

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

Additional information as of the latest actuarial valuation follows:

Valuation Date	January 1, 2008
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Payments
Remaining Amortization Period	28 Years
Asset Valuation Method	Not Applicable

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Note 14- Other Post-employment Benefits (Continued)

Countywide Program (excluding Transit System Continued)

Actuarial Assumptions and Methods (Continued)

Additional information as of the latest actuarial valuation follows (Continued):

Actuarial Assumptions:

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

Contributions Required and Contributions Made

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

As of December 31, 2008, the County had 6,183 of retirees enrolled in a health plan. The 2008 expenditures for retiree healthcare costs were \$ 68,306. The County's 2008 expenditures also included reimbursement of Medicare Part B premiums for health plan retirees of \$ 5,900. The total health plan expenditures were offset by \$ 1,497 in retiree contributions for certain retirees who were responsible for the partial or full health benefit premium cost.

As of December 31, 2008, the County had 5,249 retirees enrolled in the group life insurance plan. The 2008 expenditures for the group life insurance plan were \$ 872. The total life insurance expenditures were offset by \$ 185 in retiree contributions for certain retirees who were responsible for the partial or full health benefit premium cost.

Transit System Program

Description and Provisions- Transit System Program

Milwaukee Transport Services, Inc. (the "Transit System") provides single-employer defined benefit healthcare and life insurance benefits for retired

Note 14- Other Post-employment Benefits (Continued)

Transit System Program (Continued)

Description and Provisions- Transit System Program (Continued)

employees. The retiree healthcare and life insurance benefits are provided pursuant to the general labor agreement between the Transit System and the Amalgamated Transit Union Local 998 and the Office and Professional Employees International Union Local 35. The same benefits are provided to non-represented employees and retirees. Employees hired after July 16, 2007 are not eligible for retiree healthcare benefits. Employees eligible for pension benefits who retire before April 1, 2007 with ten (10) or more years of service are eligible for retiree healthcare benefits. Employees eligible for pension benefits who retire after April 1, 2007 with less than twelve (12) years of service will not be eligible for retiree healthcare benefits. Employees eligible for pension benefits who retire after April 1, 2009 with less than fourteen (14) years of service will not be eligible for retiree healthcare benefits. Effective July 1, 2007, all participants are required to contribute a portion of their healthcare insurance premium up to a maximum of 10 percent by January 1, 2010. Surviving spouses eligible for Medicare may continue healthcare coverage under the plan provided the surviving spouse pays 100 percent of the healthcare insurance premium. For surviving spouses not eligible for Medicare and dependent children, the Transit System will pay one-half (½) of the healthcare insurance premium until the spouse becomes eligible for Medicare or remarries, provided the employee has completed at least twelve (12) years of service. Retiree healthcare insurance premiums are charged at the same rates as active employees. Retirees may enroll in either of two (2) Health Maintenance Organization plans (HMO) or a Preferred Provider Option plan (PPO).

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

Funding Policy- Transit System Program

The health insurance and life insurance benefits for retirees are recognized under the accrual method of accounting. Under this method retiree healthcare and life insurance benefits are recognized when the benefits are earned by employees. In addition, the Transit System recognizes a portion of the unfunded actuarial accrual liability (UAAL) for the past service costs of its employees and retirees. The UAAL is amortized over thirty (30) years under the level percent

Note 14- Other Post-employment Benefits (Continued)

Transit System Program (Continued)

Funding Policy- Transit System Program (Continued)

method. Under the level percent method, the UAAL is paid off by contributing a fixed percentage of payroll each year. Under this method, the payments are smaller in the initial years and increase over time, as the payroll increases. It is assumed that the active group of employees' size remains constant and that the payroll increases 3 percent per year. It is the Transit System's intent to contribute the annual OPEB expense, after payment of the net retiree healthcare and life insurance premiums, into a trust.

Annual OPEB Cost and Net OPEB Obligation- Transit System Program

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

The following schedule provides the components of the Transit System's 2008 and 2007 OPEB costs:

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

	<u>2008</u>	<u>2007</u>
Normal Cost	\$ 4,164	\$ 5,554
Amortization of Unfunded Actuarial Accrued Liability	10,757	11,635
Annual Required Contribution (ARC)	14,921	17,189
Interest on Net OPEB Obligation	(148)	-
Adjustment to the ARC	364	-
Annual OPEB Cost	\$ 15,137	\$ 17,189

**Schedule of Employer Contributions
for the Year Ending December 31**

	<u>2008</u>	<u>2007</u>
Premiums Paid on Behalf of Retirees	\$ 12,046	\$ 12,356
Contribution to OPEB Trust	7,000	8,500
Less: Retiree and Survivor Contribution	(1,559)	(1,399)
Less: Medicare Part D	(763)	(424)
Net Employer Contribution	\$ 16,724	\$ 19,033
Percent of Annual OPEB Cost Contributed by Employer	110.5%	110.7%

Note 14- Other Post-employment Benefits (Continued)

Transit System Program (Continued)

Annual OPEB Cost and Net OPEB Obligation- Transit System Program

The following schedule provides the components of the Transit System's 2008 and 2007 OPEB costs (Continued):

Schedule of Net OPEB Obligation For the Year Ending December 31, 2008

	<u>2008</u>	<u>2007</u>
Net OPEB Obligation - January 1, 2008	\$ (1,844)	\$ -
Annual OPEB Cost	15,137	17,189
Less: Net Employer Contributions	<u>(16,724)</u>	<u>(19,033)</u>
Net OPEB Obligation - December 31, 2008	<u>\$ (3,431)</u>	<u>\$ (1,844)</u>

Funded Status and Funding Progress- Transit System Program

As of December 31, 2008, the most recent actuarial valuation date, the Transit System's OPEB plan was partially funded. The actuarial accrued liability for benefits was \$ 201,686, and the actuarial value of assets was \$12,678, resulting in an unfunded actuarial accrued liability (UAAL) of \$189,008. The annual payroll of active employees covered by the plan was \$63,921, and the ratio of UAAL to the covered payroll was 2.96 to 1.

Actuarial Assumptions and Methods- Transit System Program

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

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

Note 14- Other Post-employment Benefits (Continued)

Transit System Program (Continued)

Actuarial Assumptions and Methods- Transit System Program (Continued)

Additional information as of the latest actuarial valuation follows:

Valuation Date	December 31, 2008
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	28 Years
Asset Valuation Method	Not Applicable

Actuarial Assumptions:

Investment Rate of Return	8.0%
Healthcare Cost Trend:	
Healthcare	10% Grading Down to 5.5% at 0.5% Per Year
Prescription Drugs	10% Grading Down to 5.5% at 0.5% Per Year
Mortality	1983 Group Annuity Mortality Table
Disability	Graduated Rates Based Upon Current Age
Retirement Age	Estimates Vary Based Upon Historical Experience of the Transit System
Withdrawal	Graduated Rates Based Upon Current Age Years of Service and Employment Category
Rate of Salary Increases	3% per Year

Contributions Required and Contributions Made- Transit System Program

The Transit System's policy is to fully fund its OPEB plan. The Transit System funds its annual OPEB cost with operating revenues and tax levy support from Milwaukee County and the State of Wisconsin. As of December 31, 2008, the Transit System had 958 retirees and survivors enrolled in the HMO and PPO healthcare plans. The 2008 expenditures for the HMO and PPO healthcare plans were \$ 11,765. The total HMO and PPO expenditures were offset by \$ 1,559 in retiree contributions for certain retirees and survivors who were responsible for the partial or full health benefit premium cost, and \$ 763 in Medicare Part D reimbursements.

As of December 31, 2008, the Transit System had 857 retirees enrolled in the life insurance plan. The 2008 expenditures for the life insurance plan were \$ 281. There were no employee contributions towards the life insurance plan.

Note 15- Employee Retirement Systems and Pension Plans

Plan Description and Provisions

Milwaukee County has one retirement plan ("Retirement System"), which consists of two different systems that cover two different groups of employees within the Milwaukee County workforce. The systems within the one retirement plan are the Employees' Retirement System of the County of Milwaukee and the OBRA 1990 Retirement System of the County of Milwaukee. All assets accumulated for the payment of benefits within the retirement plan may legally be used to pay any member or beneficiary of two systems within the plan.

Employees' Retirement System of the County of Milwaukee ("ERS") –

Substantially all full-time employees of the County are participants in the ERS, which was created by Section 201.24 of the County Ordinances, and which is a single-employer defined benefit pension plan that is substantially non-contributory.

A participant, who terminates employment after five years of credited service is eligible for a deferred vested pension, beginning as of the participant's normal retirement date. The normal retirement benefit is a monthly pension for the life of the participant. For deputy sheriff participants with less than 15 years of service, the normal retirement age is 57 or age 55 and 15 years of service. For all other participants, the normal retirement age is 60, although some labor agreements additionally require at least five years of creditable service at age 60. Active participants are also eligible to retire when their age added to their years of service equals 75. The County ordinance and labor agreements require an employee to be a member prior to a stated date in order to qualify for the "rule of 75". The normal retirement benefit payment for a participant whose continuous membership began prior to January 1, 1982, is equal to 2.5% for elected officials, and 2.0% for all other participants, of the participant's three year final average monthly salary, as defined in the Ordinances and labor agreements as the three highest consecutive years, multiplied by the number of years of credited service. Except for represented deputy sheriffs and elected officials, employees whose membership in the ERS began before January 1, 1982, will receive a bonus added to their final average salary of 7.5% for each year of service credit earned after January 1, 2001 up to a maximum bonus of 25% of final average salary.

The amount of normal retirement benefit payable for represented deputy sheriffs hired before July 1, 1995 is equal to 2.5% and hired after June 30, 1995 is 2.0% times the participant's five-year final average monthly salary, as defined in labor agreements, multiplied by the number of years of credited service.

The amount of normal retirement benefit payable for a participant whose continuous membership began after January 1, 1982 is as follows: 2.5% for non-represented deputy sheriffs, deputy sheriff lieutenants, deputy sheriffs employed

Note 15- Employee Retirement Systems and Pension Plans (Continued)

Plan Description and Provisions (Continued)

in the Executive Compensation Plan and DA investigators hired before July 1, 1995; 2% for non-represented deputy sheriffs, deputy sheriff lieutenants, deputy sheriffs employed in the Executive Compensation Plan, DA investigators hired after June 30, 1995; 2% for elected officials, firefighters and non-represented firefighters beginning January 1, 1999; and 1.5% for all other participants, of the participant's five-year final average monthly salary, as defined in the Ordinance and labor agreements, multiplied by the number of years of credited service. Those employees whose membership in the ERS began after December 31, 1981, or for a non-represented Deputy Sheriff, whose service began after June 30, 1995, will have all service credited after January 1, 2001 with a .5% multiplier. Also, for each year of pension service earned after January 1, 2001, eight years of service earned prior to January 1, 2001, shall be credited with an additional .5% multiplier.

Each year after retirement, the amount of monthly benefit is increased by an amount equal to 2.0% COLA of the benefit paid for the first full month of retirement. However, the maximum benefit payable, excluding any post-retirement increases, to a participant cannot exceed the sum of 80% of the participant's final average monthly salary.

Beginning in 2001, the ERS also provides for a "back drop" pension benefit that permits an employee except for represented deputy sheriffs, to receive both a lump-sum cash payment and a monthly pension benefit upon retirement. The lump-sum cash payment is the total of the monthly pension benefits, adjusted for COLA increases, that a member will be entitled to from a prior date (back drop date) to the date that the member terminates employment plus interest compounded monthly. The backdrop date must be at least one year prior to the termination date and the member must have been eligible to retire as of that date. In addition the member will be entitled to a COLA adjusted monthly pension benefit as if the member had retired on the backdrop date. Non-represented employees and elected officials hired on or after March 15, 2002 are not eligible to receive the backdrop pension benefit and individuals elected after March 15, 2002 are not eligible to receive the additional .5% pension benefit multiplier. Most represented employees who were hired after February 1, 2007 are not eligible to receive back drop pension benefits. All benefit payments under the plan are subject to the limitations prescribed by Section 415 of the IRS Code.

Participants should refer to applicable ordinances or labor agreements for more complete information.

Note 15- Employee Retirement Systems and Pension Plans (Continued)

Plan Description and Provisions (Continued)

The County issues a publicly available financial report that includes financial statements and required supplementary information for the ERS and OBRA. The financial report may be obtained by writing to the Pension Board, 901 North 9th Street, Room 210-C, Milwaukee, Wisconsin 53233 or by calling (414) 278-4207.

OBRA 1990 Retirement System of the County of Milwaukee (OBRA) – The County established the OBRA 1990 Retirement System of the County of Milwaukee (“OBRA”) to cover seasonal and certain temporary employees who are not enrolled in the ERS. Assets of the OBRA system are commingled for investment purposes with the assets of the ERS. The OBRA system is a single-employer defined benefit pension plan that is non-contributory

The normal retirement benefit is payable upon request of any participant that has attained age 65. The amount of the normal retirement benefit is equal to one-twelfth of 2% of the participants average compensation multiplied by years of service (not in excess of 30). Average compensation is equal to the total earnings accumulated during the participant’s employment with the County for years subsequent to December 31, 1991.

The County issues a publicly available financial report that includes financial statements and required supplementary information for the ERS and OBRA. The financial report may be obtained by writing to the Pension Board, 901 North 9th Street, Room 210-C, Milwaukee, Wisconsin 53233 or by calling (414) 278-4207.

Summary of Significant Accounting Policies- Pension Fund

Basis of Accounting – The financial information of the ERS was prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenue in the period in which employee services are performed and expenses are recorded when the corresponding liabilities are incurred. On an annual basis, the County performs an actuarial valuation of the plan’s assets and liabilities.

GASB Statement No. 50- In fiscal year 2008 the ERS implemented provisions of GASB Statement No. 50- Pension Disclosures, and Amendment of GASB Statements No. 25 and No. 27. This statement requires that information about the funded status of the pension plan as of the most recent actuarial valuation be disclosed in notes to the financial statements. Additionally, GASB 50 requires disclosure of information about actuarial methods and assumptions used in valuation on which reported information about the Annual Required Contribution (ARC) and the funded status and progress are based. The schedules of funding

Note 15- Employee Retirement Systems and Pension Plans (Continued)

Summary of Significant Accounting Policies- Pension Fund (Continued)

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

Expenses – ERS administrative expenses incurred by the County are payable by the ERS to the County in the year incurred. Such expenses totaled \$ 1,031, in 2008, respectively. The County then reimburses the ERS for the expenses, with interest, ratably over a ten-year period.

Investments – Investments, primarily stocks, bonds, certain governmental 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 are valued at estimated fair value, as provided by the ERS's venture capital investment manager. Investment transactions are recorded on the trade date. Realized gains and losses are computed based on the average cost method. Assets of the OBRA are commingled for investment purposes with the assets of the ERS.

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

Security Lending – The Milwaukee County Employees' Retirement System is authorized by County Ordinance and Board of Trustee policies to lend its investment securities. The ERS's custodian manages the securities lending activity. The Securities Lending Agreement may be terminated at anytime by either party upon written notice to the other party. There were no significant violations of legal or contractual provisions, no borrower or lending agent default losses, and no recoveries of prior-period losses during the year. There are no income distributions owing on the securities lent. The average term of loans is one week.

The ERS participates in a security-lending program for the lending of corporate bonds, equity and government securities to qualified brokers. Collateral received for securities loaned consists primarily of cash. Other forms of collateral are letters of credit and government agency securities. Collateral for domestic issues is set at 102% of the fair value of the securities loaned at the time of the initial

Note 15- Employee Retirement Systems and Pension Plans (Continued)

Summary of Significant Accounting Policies- Pension Fund (Continued)

transaction. If the value falls to 100% of the fair value of the securities loaned, additional collateral is obtained to reestablish collateral at 102% of the fair value of the securities loaned. Collateral for international securities is maintained at a level of 105% of the fair value of securities loaned at all times. The net investment income earned on collateral is divided between the custodian, as a fee for its services under the programs and the ERS, according to agreed upon rates. For 2008, the net investment income realized from the security lending was \$ 541.

Securities loaned and the collateral held as of December 31, 2008 were as follows:

Fair Value of Securities Loaned:	\$	37,681
Fair Value of Collateral:	\$	38,493
Percent Collateral to Securities Loaned:		102.16%

The collateral received from security lending transactions is recorded as assets at quoted fair value on the financial statement date. The ERS records an identical amount as a liability, representing the obligation of the ERS to return the collateral at the time the borrower of the ERS's securities returns those securities.

The collateral received from securities lending transactions includes cash of \$ 37,445 and U.S. Treasury securities of \$ 1,048, for the year ending December 31, 2008. Under the terms of the securities lending agreement, the ERS has the right to sell or pledge the cash collateral. Non-cash collateral in the amount of \$ 1,048 for the year ended December 31, 2008 is controlled by the custodian and, correspondingly, is not reflected in the financial statements.

2008 Changes in Plan Provisions or Actuarial Assumptions

- Changed maximum period for backdrop period to earliest unreduced benefit.
- Increased annual compensation limit to \$ 230.
- Increased annual benefit limit to \$ 185.

**Note 15- Employee Retirement Systems and Pension Plans
(Continued)**

Contributions Required and Contributions Made

The ERS' 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 Entry Age Normal method of funding. The ERS also uses the level percentage of payroll method to amortize the unfunded liability over a 30-year period in 2008. The significant actuarial assumptions used to compute the contribution requirements are the same as those used to compute the pension benefit obligation.

The County makes contributions to the ERS based upon actuarially determined contribution requirements, as well as additional contributions at the discretion of the County Board. Actuarially determined contribution requirements are set during the County's budget process. The data available for the determination is based upon the prior fiscal year's demographics. The actuarially determined contribution requirements set during the budgeting process may differ from the annual required contribution (ARC) for the current period as a result of changes in plan provisions implemented subsequent to approval of the County budget. During the year, the ERS accrues only those contributions that the County is statutorily required to pay. This consists of those contributions that were included in the County's current year budget and any additional contributions that may have been committed at the discretion of the County Board.

Three year Trend Information for the ERS and OBRA are as follows:

	Fiscal Year	Annual Pension	Percentage of APC	Net Pension
	<u>Ending</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
ERS	12/31/08	\$ 48,910	71.4%	\$ 38,366
	12/31/07	53,063	92.9%	24,369
	12/31/06	52,548	52.2%	25,636
OBRA	12/31/08	\$ 655	79.7%	\$ -
	12/31/07	558	94.8%	-
	12/31/06	481	96.0%	-

County contributions totaling \$ 34,913, \$ 49,289, and \$ 27,435 were recorded in 2008, 2007, and 2006 respectively. The 2008, 2007, and 2006 contributions were less than the total actuarial required contribution using the Entry Age Normal method of funding with normal cost computed as a level percentage of pay. The County's contributions to the ERS were 14.9%, 21.7%, and 12.3% of annual covered payroll for 2008, 2007, and 2006, respectively.

**Note 15- Employee Retirement Systems and Pension Plans
(Continued)**

Contributions Required and Contributions Made (Continued)

OBRA's funding policy provides for an annual County contribution at an actuarially determined rate. Liabilities and contributions are computed using the Unit Credit method of funding. OBRA also used the Unit Credit method to amortize the unfunded liability over a 30-year period. The actuarial accrued liability of OBRA at December 31, 2008 was \$ 4,452, leaving net assets available less than the actuarial accrued liability of (\$ 3,592). The County made contributions to the OBRA system totaling \$ 522, \$529, and \$462 in 2008, 2007, and 2006, respectively.

The accrued pension payable at December 31, 2008 of \$ 39,850 represents the pension expense of ERS and OBRA recorded in 2008 that will be paid by June 2009, plus a \$ 4,500 contribution to a trust fund that will be used to stabilize County contributions to the ERS.

Funded Status and Actuarial Information

The Retirement System engages an independent actuarial firm to perform an annual actuarial valuation. The funded status of the Retirement System as of January 1, 2009, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets	Actuarial Accrued Liability- AAL	(Overfunded) Unfunded AAL- UAAL	UAAAL	UAAAL	UAAAL
(a)	(b)	Funded Ratio (a/b)	(b-a)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
\$ 1,968,518	\$ 2,057,377	95.68%	\$ 88,859	\$ 233,820	38.00%

The December 31, 2008 funding ratio, as calculated by the actuary, includes the proceeds of the Pension Obligation bonds of \$ 397,797 that were issued in April 2009. In order to facilitate long-term planning, the pension board requested the actuary to include these proceeds in its determination of the plan's fund status as of January 1, 2009.

In May 2009, the County and the Retirement System settled its lawsuit against its former actuary in the amount of \$ 45,000. It is anticipated that after the payment of attorney fees and other legal costs approximately \$ 30,000 will be available for transfer to the Retirement System.

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

**Note 15- Employee Retirement Systems and Pension Plans
(Continued)**

Funded Status and Actuarial Information (Continued)

plan assets are increasing or decreasing over time relative to the Actuarial Accrued Liabilities for benefits.

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

The following is a listing of the significant assumptions used by the actuary to determine the Annual Required Contribution for the current year:

	<u>ERS</u>	<u>OBRA</u>
Valuation Date	January 1, 2009	January 1, 2009
Actuarial Cost Method	Aggregate Entry Age Normal	Unit Credit
Asset Valuation Method	5-year Smoothed Market	Market
Amortization Methods:		
Contribution Variance	Level Dollar, Closed	Level Dollar, Closed
Administrative Expenses	Level Dollar, Closed	Level Dollar, Closed
All Other Unfunded Liability	Level Percent of Payroll, Closed	Level Percent of Payroll, Closed
Remaining Amortization Periods:		
Contribution Variance	5 Years	5 Years
Administrative Expenses	10 Years	10 Years
All Other Unfunded Liability	30 Years	30 Years
Actuarial Assumptions:		
Investment Rate of Return	8.0%	8.0%
Rate of Salary Increases	3.50%	3.00%
Post-retirement Benefit Increases	2.0%, simple	2.0%, simple
Mortality-Healthy Pensioners	Sex-Distinct UP- 1994 Mortality Table	Sex-Distinct UP- 1994 Mortality Table
Mortality-Disabled Pensioners	RP2000 Disabled Mortality Table	-
Inflation Rate	3.0%	3.0%

Note 16- Pending Governmental Accounting Standards

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement requires governmental entities to assign a value to and capitalize intangible assets. GASB defines an intangible asset as an asset that lacks physical substance, is non-financial in nature, and

Note 16- Pending Governmental Accounting Standards (Continued)

has a useful life of more than one year. The County is required to implement Statement No. 51 for the fiscal year ending December 31, 2010. The County will examine the requirements of this Statement to determine if it is applicable to the County and its potential financial impact.

In November 2007, GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This Statement requires endowments to report their land and other real estate investments at fair market value in order to establish consistency in reporting among similar entities. The County is required to implement Statement No. 52 for the fiscal year ending December 31, 2009. The County will examine the requirements of this Statement to determine if it is applicable to the County and its potential financial impact.

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement requires governmental entities to measure most derivative instruments at fair market value. The County is required to implement Statement No. 53 for the fiscal year ending December 31, 2010. The County will examine the requirements of this Statement to determine if it is applicable to the County and its potential financial impact.

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides new fund balance classifications and more clearly defines governmental fund types. The County is required to implement Statement No. 54 for the fiscal year ending December 31, 2011. The County will examine the requirements of this Statement to determine if it is applicable to the County and the statements potential financial impact.

REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Funding Progress and Employer Contributions

Employee's Retirement System

Retirement System

Substantially all full-time employees of the County are participants in the Employees' Retirement System of the County of Milwaukee (Retirement System), which is a single-employer defined benefit pension plan that is non-contributory.

OBRA

The County established the OBRA 1990 Retirement System of the County of Milwaukee to cover seasonal and certain temporary employees who are not enrolled in the Retirement System.

Other Postemployment Benefits (OPEB)

Countywide Program

The County administers single-employer defined benefit healthcare and life insurance plans for retired employees. The plan provides health and life insurance contributions for eligible retirees and their spouses through the County's self-insured health insurance plans and the County's group life insurance plan.

Transit System Program

Milwaukee Transport Services, Inc provides single-employer defined benefit healthcare and life insurance benefits for retired employees. The retiree healthcare and life insurance benefits are provided pursuant to the general labor agreement between the Transit System and the Amalgamated Transit Union Local 998 and the Office and Professional Employees International Union Local 35.

County Of Milwaukee
Required Supplementary Information
(Unaudited)
Schedules of Funding Progress – Pension Plan
(In Thousands of Dollars)

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability- AAL (b)	Funded Ratio (a/b)	(Overfunded) Unfunded AAL- UAAL* (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll** ((b-a)/c)
Retirement System							
	1/1/09***	\$ 1,968,518	\$ 2,057,377	95.68%	\$ 88,859	\$ 233,820	38.00%
	1/1/08	1,627,288	2,024,923	80.36%	397,635	227,364	174.89%
	1/1/07	1,525,532	1,931,220	78.99%	405,688	223,005	181.92%
	1/1/06	1,454,302	1,909,321	76.17%	455,019	225,722	201.58%
	1/1/05	1,424,918	1,782,884	79.90%	357,966	209,796	170.60%
	1/1/04	1,446,726	1,707,999	84.70%	261,273	233,478	111.90%
	1/1/03	1,446,860	1,542,045	93.80%	95,185	234,679	40.60%
	1/1/02	1,620,157	1,492,072	108.60%	(128,085)*	238,387	(53.7%)**
	1/1/01	1,670,601	1,499,261	111.40%	(171,340)*	238,195	(71.9%)**
	1/1/00	1,622,710	1,336,573	121.40%	(286,137)*	230,324	(124.2%)**
OBRA							
	1/1/09	\$ 860	\$ 4,452	19.32%	\$ 3,592	\$ 8,498	42.27%
	1/1/08	1,355	4,077	33.24%	2,722	8,284	32.86%
	1/1/07	1,261	3,843	32.80%	2,582	7,057	36.60%
	1/1/06	1,090	3,530	30.90%	2,440	8,353	29.20%
	1/1/05	944	2,872	32.90%	1,928	8,406	22.90%
	1/1/04	790	2,535	31.15%	1,745	8,397	20.80%
	1/1/03	674	2,049	32.90%	1,376	8,596	16.00%
	1/1/02	662	1,890	35.00%	1,228	8,713	14.10%
	1/1/01	613	1,846	33.20%	1,233	8,783	14.00%
	1/1/00	584	1,581	36.90%	997	8,682	11.50%

* These amounts represent actuarial value of assets in excess of actuarial accrued liabilities.

** These percentages represent the amount of overfunded actuarial assets as a percentage of payroll.

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

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

County Of Milwaukee
Required Supplementary Information
(Unaudited)
Schedules of Employer Contributions – Pension Plan
For the Year Ended December 31
(In Thousands of Dollars)

	Fiscal Year	Annual Pension Costs (APC)	Annual Required Contribution (ARC)	Contribution	Percentage of APC Contributed	Net Pension Obligation
<u>Retirement System</u>						
	2008	\$ 48,910	\$ 53,063	\$ 34,913	71.38%	\$ 38,366
	2007	53,063	52,395	49,289	92.89%	24,369
	2006	52,548	52,638	27,435	52.21%	25,636
	2005	37,608	37,438	35,415	94.17%	-
	2004	33,248	33,248	35,249	106.02%	(2,000)
	2003	25,242	23,131	33,981	134.62%	-
	2002	8,528	7,536	2,580	30.25%	10,914
	2001	8,586	8,586	2,648	30.84%	5,938
 <u>OBRA</u>						
	2008	\$ 655	\$ 661	\$ 522	79.69%	\$ -
	2007	558	486	529	94.80%	-
	2006	481	499	462	96.05%	-
	2005	386	386	365	94.56%	-
	2004	338	338	348	102.96%	-
	2003	280	280	280	100.00%	-
	2002	275	275	275	100.00%	-
	2001	250	250	250	100.00%	-

County Of Milwaukee
Required Supplementary Information
(Unaudited)
Schedules of Funding Progress – OPEB
(In Thousands of Dollars)

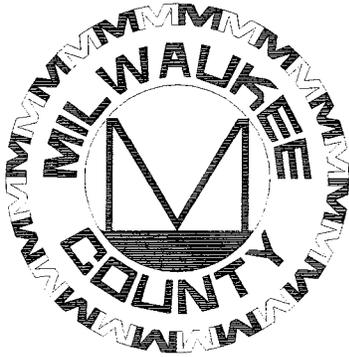
	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability-	Funded Ratio	(Overfunded) Underfunded AAL- UAAL	Covered Payroll	UAAL as a Percentage of Covered Payroll
<u>County-wide Program</u>							
	1/1/2008	\$ -	\$ 1,546,458	0.0%	\$ 1,546,458	\$ 118,977	7.7%
	1/1/2006	-	1,313,632	0.0%	1,313,632	99,327	7.6%
<u>Transit System Program</u>							
	12/31/2008	\$ 12,678	\$ 201,686	6.3%	\$ 189,008	\$ 63,921	295.7%
	12/31/2006	-	181,862	0.0%	181,862	61,732	294.6%

Note: Analysis of the dollar amounts of plan assets, actuarial accrued liability, and unfunded (overfunded) actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of the OPEB's program'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 OPEB program. Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids the analysis of the OPEB program's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, or the larger the percentage, if negative, the stronger the OPEB program.

County Of Milwaukee
Required Supplementary Information
(Unaudited)
Schedules of Employer Contributions – OPEB
For the Year Ended December 31
(In Thousands of Dollars)

	<u>Fiscal Year</u>	<u>Annual OPEB Costs</u>	<u>Annual Required Contribution</u>	<u>Net Employer Contribution</u>	<u>Net OPEB Obligation</u>	<u>Employer Percentage Contributed</u>
<u>Countywide Program</u>						
	2008	\$ 126,984	\$ 130,741	\$ 67,496	\$ 109,010	53.2%
	2007	109,598	109,598	60,076	49,522	54.8%

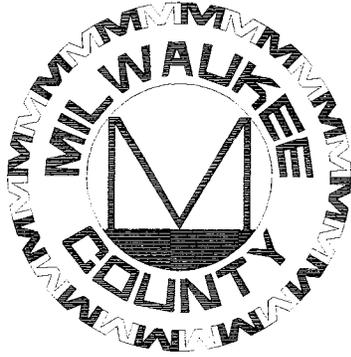
	<u>Fiscal Year</u>	<u>Annual OPEB Costs</u>	<u>Annual Required Contribution</u>	<u>Net Employer Contribution</u>	<u>Net OPEB Obligation</u>	<u>Employer Percentage Contributed</u>
<u>Transit System Program</u>						
	2008	\$ 15,137	\$ 14,921	\$ 16,724	\$ (3,431)	110.5%
	2007	17,189	17,189	19,033	(1,844)	110.7%



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OTHER SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedules



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BUDGETARY COMPARISON

COUNTY OF MILWAUKEE
 Statement of Revenues, Expenditures and
 Changes in Fund Balances-Budget and Actual
 (Non-GAAP Budgetary Basis)
 General Fund
 For the Year Ended December 31, 2008
 (In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental	\$ 360,549	\$ 376,006	\$ 355,455	\$ (20,551)
Property Taxes	251,890	251,890	251,495	(395)
Sales Taxes	65,209	65,209	66,695	1,486
Charges for Services	354,898	363,840	367,915	4,075
Fines and Forfeits	3,564	3,564	3,375	(189)
Licenses and Permits	1,003	1,003	978	(25)
Investment Income and Rents	12,440	12,440	15,425	2,985
Other	33,188	37,992	21,203	(16,789)
Total Revenues	1,082,741	1,111,944	1,082,541	(29,403)
Expenditures:				
Current:				
County Board	6,315	6,315	6,045	270
Department of Audit	2,641	2,677	2,562	115
Veterans Service	323	325	302	23
Community Development Business Partners	828	926	704	222
Procurement	888	788	645	143
Employee Benefits	2,249	2,198	1,889	309
Labor Relations	636	682	651	31
Office for Persons with Disabilities	837	1,214	1,032	182
County Executive	1,146	1,071	1,029	42
Civil Service Commission	62	70	58	12
Personnel Review Board	199	250	238	12
Corporation Counsel	1,932	2,039	1,662	377
Department of Human Resources	3,139	3,065	2,876	189
Department of Administrative Services	4,278	4,436	4,296	140
Housing	3,454	4,397	4,394	3
Legislative, Executive and Staff	28,927	30,453	28,383	2,070
County-funded State Court Services	49,281	50,066	50,883	(817)
Child Support Enforcement	19,736	19,781	18,822	959
Courts and Judiciary	69,017	69,847	69,705	142
Election Commission	1,093	1,143	1,141	2
County Treasurer	1,485	1,422	1,342	80
County Clerk	837	850	838	12
Register of Deeds	4,411	4,476	4,313	163
General Governmental Services	7,826	7,891	7,634	257
Sheriff	88,091	89,502	88,627	875
House of Correction	52,741	53,299	56,213	(2,914)
District Attorney	20,056	20,335	18,975	1,360
Public Safety and Non-Departmental Court	4,090	4,286	4,315	(29)
Public Safety	164,978	167,422	168,130	(708)
Highway Maintenance	17,118	17,505	17,311	194
Administration	346	350	226	124
Public Works and Highways	17,464	17,855	17,537	318

COUNTY OF MILWAUKEE
 Statement of Revenues, Expenditures and
 Changes in Fund Balances-Budget and Actual
 (Non-GAAP Budgetary Basis)
 General Fund
 For the Year Ended December 31, 2008
 (In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
County Health Related Programs	\$ 68,306	\$ 69,430	\$ 67,964	\$ 1,466
Department on Aging	19,746	20,042	18,846	1,196
Department on Aging -- CMO	188,572	196,362	198,638	(2,276)
DHHS - Behavioral Health Division	171,169	166,821	163,288	3,533
Department of Human Services	214,968	230,609	210,898	19,711
Human Services	<u>662,761</u>	<u>683,264</u>	<u>659,634</u>	<u>23,630</u>
Department of Parks	43,502	44,832	42,886	1,946
Zoological Department	22,802	24,692	23,587	1,105
UW Extension Service	331	356	335	21
Parks, Recreation and Culture	<u>66,635</u>	<u>69,880</u>	<u>66,808</u>	<u>3,072</u>
Other	232	15,275	6,281	8,994
Total Expenditures	<u>1,017,840</u>	<u>1,061,887</u>	<u>1,024,112</u>	<u>37,775</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>64,901</u>	<u>50,057</u>	<u>58,429</u>	<u>8,372</u>
Other Financing Sources (Uses):				
Application of Fund Balance				
Reserved for 2008 Appropriations	4,901	4,901	4,901	-
General Obligation Bonds Issued	-	-	302	302
Capital Lease Issued	-	-	3,252	3,252
Transfers In	-	-	7,192	7,192
Transfers Out	(63,271)	(48,427)	(71,285)	(22,858)
Transfers To Component Units	(6,531)	(6,531)	(6,531)	-
Total Other Financing Sources (Uses)	<u>(64,901)</u>	<u>(50,057)</u>	<u>(62,169)</u>	<u>(12,112)</u>
Net Change in Fund Balance	-	-	(3,740)	(3,740)
Fund Balances -- Beginning	42,992	42,992	42,992	-
Fund Balances -- Ending	<u>\$ 42,992</u>	<u>\$ 42,992</u>	<u>\$ 39,252</u>	<u>\$ (3,740)</u>

COUNTY OF MILWAUKEE
 Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
 (Non-GAAP Budgetary Basis)
 Debt Service Fund
 For the Year Ended December 31, 2008
 (In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Investment Income and Rents	\$ -	\$ -	\$ 10	\$ 10
Other	8,899	11,748	11,180	(568)
Total Revenues	<u>8,899</u>	<u>11,748</u>	<u>11,190</u>	<u>(558)</u>
Expenditures:				
Current -- Other	-	-	109	(109)
Debt Service:				
Principal Retirement	38,676	38,676	38,677	(1)
Interest	15,299	15,299	15,476	(177)
Total Expenditures	<u>53,975</u>	<u>53,975</u>	<u>54,262</u>	<u>(287)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(45,076)</u>	<u>(42,227)</u>	<u>(43,072)</u>	<u>(845)</u>
Other Financing Sources (Uses):				
Transfers In	45,076	42,227	47,758	5,531
Total Other Financing Sources (Uses)	<u>45,076</u>	<u>42,227</u>	<u>47,758</u>	<u>5,531</u>
Net Change in Fund Balance	-	-	4,686	4,686
Fund Balances - Beginning	6,071	6,071	6,071	-
Fund Balances - Ending	<u>\$ 6,071</u>	<u>\$ 6,071</u>	<u>\$ 10,757</u>	<u>\$ 4,686</u>

COUNTY OF MILWAUKEE
 Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
 (Non-GAAP Budgetary Basis)
 Capital Projects Fund
 For the Year Ended December 31, 2008
 (In Thousands)

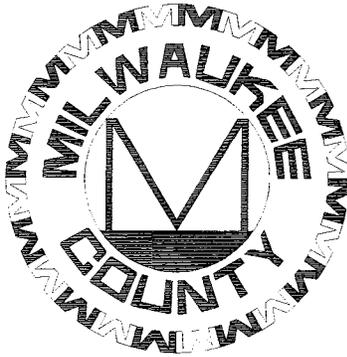
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental	\$ 10,429	\$ 10,081	\$ 10,040	\$ (41)
Sales Tax	417	417	417	-
Investment Income and Rents	778	753	1,000	247
Other	4,149	4,424	3,267	(1,157)
Total Revenues	<u>15,773</u>	<u>15,675</u>	<u>14,724</u>	<u>(951)</u>
Expenditures:				
Capital Outlay	46,619	70,535	65,882	4,653
Total Expenditures	<u>46,619</u>	<u>70,535</u>	<u>65,882</u>	<u>4,653</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,846)</u>	<u>(54,860)</u>	<u>(51,158)</u>	<u>3,702</u>
Other Financing Sources (Uses):				
General Obligation Bonds Issued	30,846	30,301	30,558	257
Transfers In	-	24,559	-	(24,559)
Transfers Out	-	-	(1,763)	(1,763)
Total Other Financing Sources (Uses)	<u>30,846</u>	<u>54,860</u>	<u>28,795</u>	<u>(26,065)</u>
Net Change in Fund Balance	-	-	(22,363)	(22,363)
Fund Balances - Beginning	(6,272)	(6,272)	(6,272)	-
Fund Balances - Ending	<u>\$ (6,272)</u>	<u>\$ (6,272)</u>	<u>\$ (28,635)</u>	<u>\$ (22,363)</u>

COUNTY OF MILWAUKEE
 Schedule of Revenues, Expenses and Changes in Fund Net Assets-Budget and Actual
 (Non-GAAP Budgetary Basis)
 Airports Enterprise Fund
 For the Year Ended December 31, 2008
 (In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Operating Revenues:				
Rentals and Other Service Fees	\$ 60,542	\$ 60,829	\$ 60,632	\$ (197)
Admissions and Concessions	12,402	12,402	13,574	1,172
Total Charges for Services	<u>72,944</u>	<u>73,231</u>	<u>74,206</u>	<u>975</u>
Other Revenues	15	15	15	-
Total Operating Revenues	<u>72,959</u>	<u>73,246</u>	<u>74,221</u>	<u>975</u>
Operating Expenses:				
Personnel Services	20,903	20,786	20,895	(109)
Contractual Services	17,335	19,537	20,507	(970)
Intra-County Services	10,698	10,738	10,412	326
Commodities	2,589	3,259	3,395	(136)
Depreciation and Amortization	13,907	13,907	14,107	(200)
Maintenance	432	713	1,123	(410)
Other	995	1,064	1,291	(227)
Total Operating Expenses	<u>66,859</u>	<u>70,004</u>	<u>71,730</u>	<u>(1,726)</u>
Operating Income (Loss)	<u>6,100</u>	<u>3,242</u>	<u>2,491</u>	<u>(751)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	103	103	-	(103)
Investment Income	1,350	1,350	1,417	67
Interest Expense	(9,773)	(9,773)	(8,618)	1,155
Gain on Sale of Capital Assets	-	-	18	18
Total Nonoperating Revenues (Expenses)	<u>(8,320)</u>	<u>(8,320)</u>	<u>(7,183)</u>	<u>1,137</u>
Income (Loss) Before Transfers	(2,220)	(5,078)	(4,692)	386
Add Depreciation on Capital Assets				
Acquired by Capital Grants that Reduces Contributed Capital From Capital Grants	4,185	4,185	10,354	6,169
Transfers In	-	-	97	97
Transfers Out	<u>(1,965)</u>	<u>1,563</u>	<u>(2,758)</u>	<u>(4,321)</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ 670</u>	<u>\$ 3,001</u>	<u>\$ 2,331</u>

COUNTY OF MILWAUKEE
Schedule of Revenues, Expenses and Changes in Fund Net Assets-Budget and Actual
(Non-GAAP Budgetary Basis)
Transit Enterprise Fund
For the Year Ended December 31, 2008
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Operating Revenues:				
Rentals and Other Service Fees	\$ 140	\$ 140	\$ 114	\$ (26)
Transit Fares	49,452	49,452	53,201	3,749
Total Charges for Services	49,592	49,592	53,315	3,723
Other Revenues	10,458	10,458	3,186	(7,272)
Total Operating Revenues	<u>60,050</u>	<u>60,050</u>	<u>56,501</u>	<u>(3,549)</u>
Operating Expenses:				
Personnel Services	118,196	118,196	108,099	10,097
Contractual Services	24,456	24,456	28,525	(4,069)
Intra-County Services	841	841	816	25
Commodities	13,994	13,994	20,544	(6,550)
Depreciation and Amortization	12,157	12,157	12,819	(662)
Maintenance	540	640	543	97
Other	8,651	9,423	2,535	6,888
Total Operating Expenses	<u>178,835</u>	<u>179,707</u>	<u>173,881</u>	<u>5,826</u>
Operating Income (Loss)	<u>(118,785)</u>	<u>(119,657)</u>	<u>(117,380)</u>	<u>2,277</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	87,757	88,530	88,522	(8)
Interest Expense	(993)	(993)	(944)	49
Total Nonoperating Revenues (Expenses)	<u>86,764</u>	<u>87,537</u>	<u>87,578</u>	<u>41</u>
Income (Loss) Before Transfers	(32,021)	(32,120)	(29,802)	2,318
Add Depreciation on Capital Assets				
Acquired by Capital Grants that Reduces Contributed Capital From Capital Grants	9,850	9,850	569	(9,281)
Transfers In	22,171	22,270	19,048	(3,222)
Transfers Out	-	-	(284)	(284)
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,469)</u>	<u>\$ (10,469)</u>



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COMBINING STATEMENTS

Other Governmental Funds

Special Revenue Funds

The Special Revenue Funds are used to account for endowments, bequests and restricted donations, where the principal may be expended in the course of their designated operations. The specific purpose of each Special Revenue Fund is as follows:

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

Parks - Enhancement of the Todd Wehr Nature Center and restoration of the Trimborn Farm as a historic park.

Persons with Disabilities - Special projects to help free disabled persons from environmental and attitudinal barriers.

Behavioral Health Division - Mental health research, patient activities and special events. This fund also accounts for the compensated absence liability of the Behavioral Health Division accumulated prior to January 1, 2007.

Airport – Receipt of Passenger Facility Charge revenue from Mitchell International Airport, plus the expenditure of these funds for Federal Aviation Administration (FAA) approved capital projects at the Airport. In addition, the fund maintains assets held for debt security of a local airline.

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

COUNTY OF MILWAUKEE
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2008
 (In Thousands)

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Zoo	Parks	Persons with Disabilities	Behavioral Health Division	Airport	Health and Safety	
ASSETS							
Cash and Investments	\$ 784	\$ 1,072	\$ 128	\$ 9,344	\$ -	\$ 136	\$ 11,464
Cash and Investments -- Restricted	-	-	-	-	34,082	-	34,082
Total Assets	<u>\$ 784</u>	<u>\$ 1,072</u>	<u>\$ 128</u>	<u>\$ 9,344</u>	<u>\$ 34,082</u>	<u>\$ 136</u>	<u>\$ 45,546</u>
 LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 99	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99
Total Liabilities	<u>99</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99</u>
Fund Balances:							
Reserved	685	1,072	128	9,344	34,082	136	45,447
Total Fund Balances	<u>685</u>	<u>1,072</u>	<u>128</u>	<u>9,344</u>	<u>34,082</u>	<u>136</u>	<u>45,447</u>
Total Liabilities and Fund Balances	<u>\$ 784</u>	<u>\$ 1,072</u>	<u>\$ 128</u>	<u>\$ 9,344</u>	<u>\$ 34,082</u>	<u>\$ 136</u>	<u>\$ 45,546</u>

COUNTY OF MILWAUKEE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008
(In Thousands)

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Zoo	Parks	Persons with Disabilities	Behavioral Health Division	Airport	Health and Safety	
Revenues:							
Investment Income and Rents	\$ 45	\$ 2	\$ 4	\$ -	\$ 1,193	\$ -	\$ 1,244
Charges for Services	659	60	-	-	11,273	-	11,992
Other	243	288	3	-	-	24	558
Total Revenues	<u>947</u>	<u>350</u>	<u>7</u>	<u>-</u>	<u>12,466</u>	<u>24</u>	<u>13,794</u>
Expenditures:							
Current:							
Public Works and Highways	-	-	-	-	10,987	-	10,987
Human Services	-	-	3	327	-	-	330
Parks, Recreation and Culture	849	131	-	-	-	-	980
Total Expenditures	<u>849</u>	<u>131</u>	<u>3</u>	<u>327</u>	<u>10,987</u>	<u>-</u>	<u>12,297</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>98</u>	<u>219</u>	<u>4</u>	<u>(327)</u>	<u>1,479</u>	<u>24</u>	<u>1,497</u>
Net Changes in Fund Balance	98	219	4	(327)	1,479	24	1,497
Fund Balances -- Beginning	587	853	124	9,671	32,603	112	43,950
Fund Balances -- Ending	<u>\$ 685</u>	<u>\$ 1,072</u>	<u>\$ 128</u>	<u>\$ 9,344</u>	<u>\$ 34,082</u>	<u>\$ 136</u>	<u>\$ 45,447</u>



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COMBINING STATEMENTS

Internal Service Funds

Information Management Services

This fund is used to account for electronic data processing, graphics and telecommunication services provided to County departments.

Public Works Services

This fund is used to account for various services provided to other County departments including:

Professional Services - provides engineering, architectural and administrative services.

Facilities Management - provides custodial and equipment maintenance services.

Fleet Maintenance - controls, supervises and maintains all automotive equipment owned by the County.

Risk Management

This fund accounts for risk financing, loss control and insurance-related activities for the County and its employees.

COUNTY OF MILWAUKEE
 Combining Balance Sheet
 Internal Service Funds
 December 31, 2008
 (In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
Assets				
Current Assets:				
Cash and Investments	\$ 5,041	\$ 10,990	\$ 10,864	\$ 26,895
Accounts Receivable (Net of Allowances for Uncollectible Accounts)	65	834	-	899
Due From Other Governments	-	289	-	289
Inventories	-	568	-	568
Prepaid Items	131	-	2	133
Total Current Assets	5,237	12,681	10,866	28,784
Capital Assets:				
Land	-	1,164	-	1,164
Construction in Progress	1,341	5,769	-	7,110
Land Improvements	-	10,579	-	10,579
Building and Improvements	1,151	101,169	-	102,320
Furniture, Machinery and Equipment	35,401	46,409	7	81,817
Total Capital Assets	37,893	165,090	7	202,990
Less Accumulated Depreciation	(28,791)	(115,489)	(5)	(144,285)
Net Capital Assets	9,102	49,601	2	58,705
Total Assets	\$ 14,339	\$ 62,282	\$ 10,868	\$ 87,489
Liabilities				
Current Liabilities:				
Accounts Payable	\$ 440	\$ 1,151	\$ 7	\$ 1,598
Accrued Interest	120	314	-	434
Unearned Revenues	-	230	-	230
Bonds and Notes Payable - General Obligation	1,560	3,272	-	4,832
Compensated Absences	778	1,823	39	2,640
Capital Leases	-	139	-	139
Risk Claims	-	-	7,007	7,007
Total Current Liabilities	2,898	6,929	7,053	16,880
Long-Term Liabilities:				
Bonds and Notes Payable - General Obligation	11,415	26,163	-	37,578
Compensated Absences	916	1,980	45	2,941
Capital Leases	-	1,314	-	1,314
Risk Claims	-	-	3,560	3,560
Other Post Employment Benefits	1,593	6,408	199	8,200
Total Long-Term Liabilities	13,924	35,865	3,804	53,593
Total Liabilities	16,822	42,794	10,857	70,473
Net Assets				
Unrestricted	1,390	217	9	1,616
Invested in Capital Assets, Net of Related Debt	(3,873)	19,271	2	15,400
Total Net Assets	(2,483)	19,488	11	17,016
Total Liabilities and Net Assets	\$ 14,339	\$ 62,282	\$ 10,868	\$ 87,489

COUNTY OF MILWAUKEE
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
 Internal Service Funds
 For The Year Ended December 31, 2008
 (In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
Operating Revenues:				
Charges for Services	\$ 17,405	\$ 44,735	\$ 7,633	\$ 69,773
Other	79	303	119	501
Total Operating Revenues	<u>17,484</u>	<u>45,038</u>	<u>7,752</u>	<u>70,274</u>
Operating Expenses:				
Personnel Services	9,671	26,782	643	37,096
Contractual Services	3,876	8,285	57	12,218
Intra-County Services	1,159	3,798	135	5,092
Commodities	175	2,293	3	2,471
Depreciation and Amortization	2,405	5,257	1	7,663
Maintenance	80	1,074	-	1,154
Insurance and Claims	-	-	7,551	7,551
Other	-	1,213	-	1,213
Total Operating Expenses	<u>17,366</u>	<u>48,702</u>	<u>8,390</u>	<u>74,458</u>
Operating Income (Loss)	<u>118</u>	<u>(3,664)</u>	<u>(638)</u>	<u>(4,184)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	234	629	-	863
Gain on Sale of Capital Assets	-	146	-	146
Interest Expense	(519)	(1,112)	-	(1,631)
Total Nonoperating Revenues (Expenses)	<u>(285)</u>	<u>(337)</u>	<u>-</u>	<u>(622)</u>
Income (Loss) Before Contributions and Transfers	(167)	(4,001)	(638)	(4,806)
Capital Contributions	255	2,113	-	2,368
Transfers In	166	3,573	643	4,382
Transfers Out	(917)	(1,470)	-	(2,387)
Change in Net Assets	(663)	215	5	(443)
Net Assets -- Beginning	(1,820)	19,273	6	17,459
Net Assets -- Ending	<u>\$ (2,483)</u>	<u>\$ 19,488</u>	<u>\$ 11</u>	<u>\$ 17,016</u>

COUNTY OF MILWAUKEE
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2008
(In Thousands)

	Information Management <u>Services</u>	Public Works <u>Services</u>	Risk Management	<u>Total</u>
Cash Flows Provided (Used) by Operating Activities:				
Receipts from Customers and Users	\$ 94	\$ 20,784	\$ 619	\$ 21,497
Receipts from Interfund Services	17,405	24,379	7,133	48,917
Payments to Suppliers	(4,420)	(12,485)	(7,716)	(24,621)
Payments to Employees	(9,104)	(23,819)	(567)	(33,490)
Payments for Interfund Services Used	(1,259)	(3,798)	1,443	(3,614)
Net Cash Flows Provided (Used) by Operating Activities	<u>2,716</u>	<u>5,061</u>	<u>912</u>	<u>8,689</u>
Cash Flows Provided (Used) by Noncapital Financing Activities:				
Intergovernmental Revenues	234	340	-	574
Transfers From Other Funds	166	3,573	643	4,382
Transfers (To) Other Funds	(917)	(1,470)	-	(2,387)
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>(517)</u>	<u>2,443</u>	<u>643</u>	<u>2,569</u>
Cash Flows Provided (Used) by Capital and Related Financing Activities:				
Proceeds from Long-Term Debt	908	3,718	-	4,626
Principal Payment on Long-Term Debt	(1,562)	(3,552)	-	(5,114)
Interest Paid on Long-Term Debt	(510)	(1,082)	-	(1,592)
Payments on Capital Lease	-	(137)	-	(137)
Sale of Capital Assets	-	146	-	146
Acquisition of Capital Assets	(1,086)	(3,772)	-	(4,858)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(2,250)</u>	<u>(4,679)</u>	<u>-</u>	<u>(6,929)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(51)	2,825	1,555	4,329
Cash and Cash Equivalents at Beginning of Year	5,092	8,165	9,309	22,566
Cash and Cash Equivalents at End of Year	<u>\$ 5,041</u>	<u>\$ 10,990</u>	<u>\$ 10,864</u>	<u>\$ 26,895</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Assets Financed by Capital Leases	<u>\$ -</u>	<u>\$ 1,590</u>	<u>\$ -</u>	<u>\$ 1,590</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss):	\$ 118	\$ (3,664)	\$ (638)	\$ (4,184)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Depreciation and Amortization	2,405	5,257	1	7,663
(Increase) Decrease in Assets:				
Accounts Receivable	(2)	115	-	113
Inventories	-	80	-	80
Prepaid Items	17	-	(2)	15
Increase (Decrease) in Liabilities:				
Accounts Payable	(389)	300	(103)	(192)
Accrued Liabilities	(35)	(78)	-	(113)
Unearned Revenues	-	10	-	10
Risk Claims	-	-	1,578	1,578
Other Post Retirement Benefits	796	3,089	100	3,985
Compensated Absences	(194)	(48)	(24)	(266)
Total Adjustments	<u>2,598</u>	<u>8,725</u>	<u>1,550</u>	<u>12,873</u>
Net Cash Flows Provided (Used) by Operating Activities	<u>\$ 2,716</u>	<u>\$ 5,061</u>	<u>\$ 912</u>	<u>\$ 8,689</u>

COMBINING STATEMENTS

Fiduciary Funds

Agency Funds

Agency funds are custodial in nature and are used to account for assets held by the County as an agent for individuals, private organizations, and other governmental units. Significant Agency Funds consist of Civil Court-ordered family support payments.

COUNTY OF MILWAUKEE
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended December 31, 2008
(In Thousands)

	<u>January 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2008</u>
<u>CIVIL COURT ORDERED AGENCY FUND FOR FAMILY SUPPORT/PAYMENTS</u>				
Cash and Investments	\$ 12,800	\$ 46,845	\$ 47,997	\$ 11,648
Total Assets	<u>\$ 12,800</u>	<u>\$ 46,845</u>	<u>\$ 47,997</u>	<u>\$ 11,648</u>
Agency Deposits	\$ 12,800	\$ 46,924	\$ 48,076	\$ 11,648
Total Liabilities	<u>\$ 12,800</u>	<u>\$ 46,924</u>	<u>\$ 48,076</u>	<u>\$ 11,648</u>
<u>OTHER AGENCY FUNDS</u>				
Cash and Investments	\$ 11,291	\$ 40,329	\$ 41,305	\$ 10,315
Other Receivables	-	29,131	29,131	-
Total Assets	<u>\$ 11,291</u>	<u>\$ 69,460</u>	<u>\$ 70,436</u>	<u>\$ 10,315</u>
Accounts Payable	\$ 331	\$ 10,378	\$ 10,584	\$ 125
Agency Deposits	10,960	42,589	43,359	10,190
Total Liabilities	<u>\$ 11,291</u>	<u>\$ 52,967</u>	<u>\$ 53,943</u>	<u>\$ 10,315</u>
<u>SUMMARY</u>				
Cash and Investments	\$ 24,091	\$ 87,174	\$ 89,302	\$ 21,963
Other Receivables	-	29,131	29,131	-
Total Assets	<u>\$ 24,091</u>	<u>\$ 116,305</u>	<u>\$ 118,433</u>	<u>\$ 21,963</u>
Accounts Payable	\$ 331	\$ 10,378	\$ 10,584	\$ 125
Agency Deposits	23,760	89,513	91,435	21,838
Total Liabilities	<u>\$ 24,091</u>	<u>\$ 99,891</u>	<u>\$ 102,019</u>	<u>\$ 21,963</u>

STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

The information in this section is not covered by the Independent Auditor's report, but is presented as supplemental data for the benefit of the readers of the comprehensive financial report.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue sources, property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and capital asset data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB 34 in 2002; schedules presenting government-wide information include information beginning in that year.

County of Milwaukee, Wisconsin
Net Assets by Component
Last Seven Fiscal Years
(In Thousands)

	<u>Fiscal Year Ended December 31,</u>						
	<u>2008</u>	<u>2007*</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
	\$ 222,474	\$ 207,437	\$ 215,539	\$ 239,957	\$ 252,316	\$ 251,485	\$ 213,207
Governmental Activities							
Invested in Capital Assets, Net of Related Debt							
Restricted For:							
Debt	10,757	6,071	3,594	2,415	8,130	6,862	19,116
Airport - PFC and Debt	34,082	32,603	34,128	34,155	-	-	-
Aging CMO	6,142	5,779	-	-	-	-	-
Other purposes	11,365	11,347	1,872	1,845	-	(20,064)	240
Unrestricted	(151,947)	(77,848)	(16,122)	(44,305)	(30,190)	-	-
Subtotal Governmental Activities Net Assets	132,873	185,389	239,011	234,067	230,256	238,283	232,563
Business-type Activities							
Invested in Capital Assets, Net of Related Debt	177,253	182,931	194,022	174,016	206,060	196,792	197,495
Restricted For:							
Debt	14,000	13,049	12,061	10,328	9,505	8,190	8,194
Capital Asset Needs	5,115	5,121	4,120	3,414	-	5,854	5,854
Other purposes	-	-	-	-	3,899	2,831	-
Unrestricted	2,777	2,496	5,424	25,999	3,268	213,667	211,543
Subtotal Business-type Activities Net Assets	199,145	203,597	215,627	213,757	222,732	213,667	211,543
Primary Government							
Invested in Capital Assets, Net of Related Debt	399,727	390,368	409,561	413,973	458,376	448,277	410,702
Restricted For:							
Debt	24,757	19,120	15,655	12,743	17,635	15,052	27,310
Airport - PFC and Debt	34,082	32,603	34,128	34,155	-	-	-
Aging CMO	6,142	5,779	-	-	-	-	-
Capital Asset Needs	5,115	5,121	4,120	3,414	-	-	-
Other purposes	11,365	11,347	1,872	1,845	3,899	(14,210)	6,094
Unrestricted	(149,170)	(75,352)	(10,698)	(18,306)	(26,922)	2,831	-
Total Primary Government Activities Net Assets	\$ 332,018	\$ 388,986	\$ 454,638	\$ 447,824	\$ 452,988	\$ 451,950	\$ 444,106

Notes:

(1) Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

*In 2007, the County began reporting the activities of its Behavioral Health Division (BHD) as part of the General Fund. Prior to 2007, BHD had been reported as a separate proprietary fund.

Source: County of Milwaukee, Wisconsin Comprehensive Annual Financial Reports

County of Milwaukee, Wisconsin
Changes in Net Assets
Last Seven Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

	<u>Fiscal Year Ended December 31,</u>						
	<u>2008</u>	<u>2007*</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>Expenses (by Function)</u>							
Governmental Activities:							
Legislative, Executive and Staff	\$ 54,395	\$ 70,318	\$ 65,242	\$ 70,546	\$ 65,142	\$ 56,569	\$ 60,416
Courts and Judiciary	67,435	64,486	58,432	56,517	54,715	52,427	49,860
General Governmental Services	8,912	8,545	9,884	8,152	8,992	8,426	8,246
Public Safety	180,186	178,063	146,410	138,885	136,896	128,134	115,415
Public Works and Highways	81,522	80,433	64,445	88,133	82,543	77,079	79,991
Human Services	675,169	637,120	398,245	363,558	345,251	320,705	281,934
Parks, Recreation and Culture	85,321	81,779	72,361	69,150	69,861	70,609	72,174
Other	-	6,996	14,587	19,222	9,086	15,812	20,081
Interest on Long-term Debt	16,351	15,964	16,520	17,497	17,502	20,279	17,752
Total Governmental Activities Expenses	<u>1,169,291</u>	<u>1,143,704</u>	<u>846,126</u>	<u>831,660</u>	<u>789,988</u>	<u>750,040</u>	<u>705,869</u>
Business-type Activities:							
Airport	77,432	68,401	64,254	58,894	54,720	51,949	42,333
Behavioral Health*	-	-	171,064	157,233	147,055	137,908	134,958
Transit	174,725	169,557	163,619	157,623	154,003	148,710	144,946
Total Business-type Activities Expenses	<u>252,157</u>	<u>237,958</u>	<u>398,937</u>	<u>373,750</u>	<u>355,778</u>	<u>338,567</u>	<u>322,237</u>
Total Primary Government Expenses	<u>1,421,448</u>	<u>1,381,662</u>	<u>1,245,063</u>	<u>1,205,410</u>	<u>1,145,766</u>	<u>1,088,607</u>	<u>1,028,106</u>
<u>Program Revenues (by Function)</u>							
Governmental Activities:							
Charges for Services							
Legislative, Executive and Staff	4,806	10,153	8,838	10,494	10,397	7,777	2,870
Courts and Judiciary	6,209	4,854	3,597	3,527	3,574	3,176	4,343
General Governmental Services	5,181	5,785	6,314	7,144	6,132	6,922	5,737
Public Safety	11,337	6,494	5,233	3,938	4,962	4,532	10,101
Public Works and Highways	27,321	32,106	35,975	39,441	38,589	25,926	309
Human Services	319,912	286,465	179,628	163,613	133,412	110,966	95,197
Parks, Recreation and Culture	33,104	26,543	26,607	25,639	23,742	21,220	25,451
Other	-	-	-	-	-	-	2,908
Operating Grants and Contributions							
Legislative, Executive and Staff	4,839	19,513	19,125	19,733	18,749	17,425	16,271
Courts and Judiciary	21,595	24,857	24,249	23,272	23,667	20,676	22,207
General Governmental Services	247	82	121	100	167	122	161
Public Safety	21,766	19,148	19,906	19,133	23,845	14,955	18,556
Public Works and Highways	17,280	23,170	24,976	37,612	21,399	8,568	12,554
Human Services	259,845	252,592	182,859	169,708	162,599	146,917	138,407
Parks, Recreation and Culture	4,001	1,272	1,368	1,227	1,480	(3,498)	257
Other	-	-	-	-	-	3,247	-
Capital Grants and Contributions							
Legislative, Executive and Staff	1,164	1,046	-	3,484	-	-	-
Courts and Judiciary	-	-	-	-	-	-	-
General Governmental Services	-	-	-	-	-	-	-
Public Safety	-	-	-	-	4,835	2,997	550
Public Works and Highways	5,231	2,183	-	(74)	33,652	-	-
Human Services	-	-	-	-	-	-	-
Parks, Recreation and Culture	-	-	-	-	1,215	-	-
Total Governmental Activities Program Revenues	<u>743,838</u>	<u>716,263</u>	<u>538,796</u>	<u>527,991</u>	<u>512,416</u>	<u>391,928</u>	<u>355,879</u>

County of Milwaukee, Wisconsin
Changes in Net Assets
Last Seven Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

	<u>Fiscal Year Ended December 31,</u>						
	<u>2008</u>	<u>2007*</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>Program Revenues (by Function) Continued</u>							
Business-type Activities:							
Charges for Services							
Airport	\$ 74,221	\$ 64,559	\$ 61,744	\$ 55,599	\$ 52,146	\$ 48,515	\$ 39,650
Behavioral Health*	-	-	62,873	59,870	58,494	52,270	54,974
Transit	56,501	52,443	53,936	47,757	45,592	44,063	41,975
Operating Grants and Contributions							
Airport	-	35	216	312	1,158	562	2,421
Behavioral Health*	-	-	69,135	61,136	54,780	56,632	56,340
Transit	88,522	82,513	79,162	79,133	77,108	76,646	72,894
Capital Grants and Contributions							
Airport	10,354	8,124	8,445	7,371	-	5,006	14,168
Behavioral Health*	-	-	45	(826)	-	(32)	(670)
Transit	569	1,408	1,758	582	-	11,374	11,406
Total Business-type Activities Program Revenues	<u>230,167</u>	<u>209,082</u>	<u>337,314</u>	<u>310,934</u>	<u>289,278</u>	<u>295,036</u>	<u>293,158</u>
Total Primary Government Program Revenues	<u>974,005</u>	<u>925,345</u>	<u>876,110</u>	<u>838,925</u>	<u>801,694</u>	<u>686,964</u>	<u>649,037</u>
Net (Expense)/ Revenue							
Governmental Activities	(425,453)	(427,441)	(307,330)	(303,668)	(277,572)	(358,112)	(349,990)
Business-type Activities	(21,990)	(28,876)	(61,623)	(62,816)	(66,500)	(43,531)	(29,079)
Total Primary Net (Expense)/ Revenue	<u>(447,443)</u>	<u>(456,317)</u>	<u>(368,953)</u>	<u>(366,484)</u>	<u>(344,072)</u>	<u>(401,643)</u>	<u>(379,069)</u>
<u>General Revenues and Other Changes in Net Assets</u>							
Governmental Activities:							
Taxes							
Property taxes	251,495	243,144	234,317	228,628	220,612	221,265	220,702
Sales taxes	67,112	63,613	63,654	62,673	60,498	59,788	58,122
Intergovernmental Revenues Not Related to							
Specific Programs	39,734	42,387	41,332	40,242	40,472	74,590	65,305
Investment Income	13,516	16,329	12,185	4,839	4,444	10,207	16,656
Gain on Sale of Capital Assets	146	96	93	93	725	182	735
Other--Revenue	17,037	22,997	22,456	23,813	17,534	42,609	31,901
Transfers	(16,103)	(19,073)	(61,764)	(52,809)	(74,739)	(44,809)	(36,485)
Total Governmental Activities	<u>372,937</u>	<u>369,493</u>	<u>312,273</u>	<u>307,479</u>	<u>269,546</u>	<u>363,832</u>	<u>356,936</u>
Business-type Activities:							
Investment Income	1,417	2,070	1,698	1,001	794	872	-
Gain on Sale of Capital Assets	18	29	31	31	32	(26)	-
Transfers	16,103	19,073	61,764	52,809	74,739	44,809	36,485
Total Business-type Activities	<u>17,538</u>	<u>21,172</u>	<u>63,493</u>	<u>53,841</u>	<u>75,565</u>	<u>45,655</u>	<u>36,485</u>
Total Primary Government	<u>390,475</u>	<u>390,665</u>	<u>375,766</u>	<u>361,320</u>	<u>345,111</u>	<u>409,487</u>	<u>393,421</u>
<u>Change in Net Assets</u>							
Governmental activities	(52,516)	(57,948)	4,944	3,811	(8,026)	5,720	6,946
Business-type activities	(4,452)	(7,704)	1,870	(8,975)	9,065	2,124	7,406
Total Primary Government	<u>\$ (56,968)</u>	<u>\$ (65,652)</u>	<u>\$ 6,814</u>	<u>\$ (5,164)</u>	<u>\$ 1,039</u>	<u>\$ 7,844</u>	<u>\$ 14,352</u>

*In 2007, the County began reporting the activities of its Behavioral Health Division (BHD) as part of the General Fund. Prior to 2007, BHD had been reported as a separate proprietary fund.

Source: County of Milwaukee, Wisconsin Comprehensive Annual Financial Reports

County of Milwaukee, Wisconsin
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ending December 31

	<u>2008</u>	<u>2007*</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General Fund										
Reserved For:										
Reserved for 2010 Appropriations	\$ 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	(1,573)	-	-	-	-	-
Reserved for 2006 Appropriations	-	-	-	(1,573)	(3,534)	-	-	-	-	-
Reserved for 2005 Appropriations	-	-	-	-	-	(3,534)	-	-	-	-
Reserved for 2004 Appropriations	-	-	-	-	-	4,010	4,010	708	-	-
Reserved for 2003 Appropriations	-	-	-	-	-	-	708	-	3,305	-
Reserved for 2002 Appropriations	-	-	-	-	-	-	-	3,305	-	-
Reserved for 2001 Appropriations	-	-	-	-	-	-	-	-	4,193	4,193
Reserved for 2000 Appropriations	-	-	-	-	-	-	-	-	-	3,355
Reserved for 1999 Appropriations	-	-	-	-	-	-	-	-	-	-
Reserved for Prepaid Items	-	-	-	-	-	-	-	-	3,561	-
Reserved for Encumbrances	9,349	11,810	22,617	15,516	9,208	8,685	7,970	9,054	4,223	13,678
Reserved for Aging CMO	6,142	5,779	-	-	-	-	-	-	-	-
Reserved for Inventories	1,012	1,269	1,156	1,023	1,191	1,299	1,913	1,933	2,018	2,084
Reserved for Delinquent Property Tax	10,487	8,278	5,522	3,999	3,555	3,245	2,560	2,300	2,800	2,500
Unreserved:										
Designated for Economic Development	201	200	150	138	137	211	138	100	55	-
Designated for Housing	2,193	1,954	270	267	-	-	2	-	265	327
Designated for Aging CMO	4,115	4,919	-	-	-	-	-	-	-	-
Designated for Investments	3,480	1,217	-	-	-	506	2,017	2,017	-	-
Subtotal General Fund	49,070	48,274	39,280	24,034	8,984	14,422	19,318	19,417	20,420	26,137
All Other Governmental Funds										
Reserved For:										
Reserved for Debt Service	10,757	6,071	5,573	2,979	8,130	12,006	19,116	12,274	7,652	11,169
Reserved for Encumbrances	11,595	17,983	7,987	8,455	12,302	13,934	28,041	36,244	40,939	40,956
Reserved for Other	-	-	-	-	23	-	-	-	-	-
Reserved for Health and Safety	136	112	70	46	-	-	-	-	-	-
Reserved for Zoo	685	587	541	559	559	664	794	1,114	765	642
Reserved for Parks	1,072	853	711	658	501	256	394	716	657	358
Reserved for Persons with Disabilities	128	124	115	122	101	102	104	92	88	43
Reserved for Behavioral Health Division	9,344	9,671	423	478	490	536	540	517	494	470
Reserved for Airport - PFC and Debt	34,082	32,603	34,128	34,155	21,529	23,495	16,981	28,234	25,828	18,307
Reserved for Deferred Compensation	-	-	-	-	-	-	-	-	-	-
Subtotal All Other Governmental Funds	67,799	68,004	49,560	47,434	43,635	50,893	65,970	79,191	76,423	71,945
Total Governmental Funds Balance	\$ 116,869	\$ 116,278	\$ 88,840	\$ 71,468	\$ 52,619	\$ 65,315	\$ 85,288	\$ 98,608	\$ 96,843	\$ 98,082

*In 2007, the County began reporting the activities of its Behavioral Health Division (BHD) as part of the General Fund. Prior to 2007, BHD had been reported as a separate proprietary fund.

Source: County of Milwaukee, Wisconsin Comprehensive Annual Financial Reports

County of Milwaukee, Wisconsin
Changes in Fund Balance-Governmental Funds
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year Ending December 31									
	2008	2007*	2006	2005	2004	2003	2002	2001	2000	1999
Revenues:										
Intergovernmental	\$ 365,495	\$ 370,814	\$ 302,975	\$ 299,179	\$ 310,503	\$ 296,554	\$ 283,923	\$ 315,763	\$ 368,362	\$ 404,825
Property Taxes	251,495	243,144	234,317	228,628	220,612	221,265	220,430	209,178	198,485	195,751
Sales Taxes	67,112	63,613	63,654	62,673	61,123	59,788	58,122	57,941	55,772	55,675
Charges for Services	379,907	347,478	239,891	224,005	190,711	166,523	140,413	97,026	68,324	66,236
Fines and Forfeits	3,375	3,571	3,616	2,823	3,129	2,909	3,276	3,660	3,692	4,007
Licenses and Permits	978	552	634	442	443	413	399	440	464	471
Investment Income and Rents	17,679	20,411	16,288	8,741	7,952	10,207	16,656	19,003	20,271	9,624
PFC Revenues	-	-	-	-	-	-	-	-	-	-
Other	36,208	34,510	34,907	37,888	35,370	42,743	37,220	46,618	42,265	29,900
Total Revenues	1,122,249	1,084,093	896,282	864,379	829,843	800,402	760,439	749,629	757,635	766,489
Expenditures:										
Legislative, Executive and Staff	26,688	36,094	37,729	38,774	38,246	39,257	39,462	32,577	28,697	26,360
Courts and Judiciary	69,274	61,120	56,964	57,456	55,748	52,862	50,889	39,753	35,360	32,851
General Governmental Services	7,628	7,886	7,731	6,203	6,608	6,775	6,662	4,267	4,398	3,673
Public Safety	166,832	147,082	136,634	136,398	135,596	126,758	122,089	100,006	97,851	87,136
Public Works and Highways	28,482	28,621	19,154	16,532	16,553	13,489	13,008	10,370	10,441	24,371
Human Services*	657,004	618,062	394,619	362,770	345,208	322,025	283,826	261,461	279,924	308,095
Parks, Recreation and Culture	66,799	66,414	64,194	62,984	62,485	66,853	68,574	53,095	52,203	49,791
Other	10,905	3,231	10,102	18,737	37,663	8,097	9,539	52,278	48,301	42,621
Capital Outlay	49,938	33,587	45,608	48,182	77,409	81,413	103,373	83,342	95,966	89,513
Debt Service:										
Principal Retirement	38,677	31,063	28,437	24,657	20,132	35,826	26,733	36,150	34,374	32,431
Interest	15,476	15,473	15,025	16,232	16,035	18,267	16,570	19,199	18,833	18,722
Total Expenditures	1,137,703	1,048,633	816,197	790,925	811,683	771,622	740,725	692,498	706,348	715,564
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,454)	35,460	80,085	73,454	18,160	28,780	19,714	57,131	51,287	50,925
Other Financing Sources (Uses)										
General Obligation Bonds Issued	30,860	33,625	31,595	24,610	26,950	25,623	40,783	40,356	46,750	56,488
Contribution from Reserves	-	-	-	-	-	-	-	-	130	-
Premium/(Discount) on Debt Issued	31	-	2,121	518	-	(80)	-	-	-	-
Refunding Bonds Issued	3,252	-	-	55,248	-	114,270	51,402	43,557	-	31,489
Payment to Refunded Bond Escrow Agent	-	-	-	(54,821)	-	(82,326)	(49,857)	(43,042)	-	(39,810)
Payment on Current Refunded Bonds	-	-	-	-	-	(30,943)	-	-	-	-
Wisconsin State Trust Fund Bonds Issued	-	-	-	-	18,627	-	-	-	-	-
Transfers In	54,950	137,797	42,366	58,972	42,090	44,950	57,147	93,066	37,084	82,291
Transfers Out	(73,048)	(190,547)	(138,795)	(139,132)	(118,523)	(120,247)	(132,509)	(190,728)	(162,170)	(162,170)
Total Other Financing Sources (Uses)	16,045	(19,125)	(62,713)	(54,605)	(30,856)	(48,753)	(33,034)	(56,791)	(48,527)	(31,712)
Net Change in Fund Balances	\$ 591	\$ 16,335	\$ 17,372	\$ 18,849	\$ (12,696)	\$ (19,973)	\$ (13,320)	\$ 340	\$ 2,760	\$ 19,213
Debt Service as a Percentage of Noncapital Expenditures	4.98%	4.58%	5.64%	5.51%	4.93%	7.84%	6.79%	9.09%	8.72%	8.17%

*In 2007, the County began reporting the activities of its Behavioral Health Division (BHD) as part of the General Fund. Prior to 2007, BHD had been reported as a separate proprietary fund.

Source: County of Milwaukee, Wisconsin Comprehensive Annual Financial Reports

**County of Milwaukee, Wisconsin
Property Tax Levies and Collections
Last Ten Fiscal Years
(In Thousands)**

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Total Tax Collections to Total Tax Levy</u>	<u>Percent of Delinquent Taxes to Total Tax Levy</u>
1999	194,206	188,672	97.2%	5,313	193,985	8,183	99.9%	4.2%
2000	196,038	189,973	96.9%	6,375	196,348	8,471	100.2%	4.3%
2001	206,729	200,158	96.8%	8,138	208,296	7,683	100.8%	3.7%
2002	218,789	211,132	96.5%	7,375	218,507	8,615	99.9%	3.9%
2003	219,487	213,028	97.1%	7,658	220,686	8,148	100.5%	3.7%
2004	219,429	212,312	96.8%	7,778	220,090	8,316	100.3%	3.8%
2005	225,884	219,183	97.0%	7,888	227,071	7,966	100.5%	3.5%
2006	232,593	223,931	96.3%	7,862	231,793	9,243	99.7%	4.0%
2007	241,048	230,958	95.8%	8,424	239,382	11,778	99.3%	4.9%
2008	249,887	237,159	94.9%	9,501	246,660	15,850	98.7%	6.3%

Source: County of Milwaukee, Wisconsin Treasurer's Office Tax Collection Records

County of Milwaukee, Wisconsin
Equalized Value of Taxable Property
Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ended <u>December 31</u>	Real Property							Subtotal Real Property	Personal Property	Total
	Residential	Commercial	Manufacturing	Agricultural	Undeveloped	Forest	Other			
1999	23,351,560	10,260,787	1,219,309	13,937	605	4,126	15,972	34,866,296	1,538,755	36,405,051
2000	24,659,199	10,562,127	1,293,959	3,646	1,114	6,925	17,743	36,544,713	1,685,616	38,230,329
2001	26,940,262	11,634,447	1,354,008	3,408	1,503	7,525	20,227	39,961,380	1,812,732	41,774,112
2002	28,940,897	12,196,646	1,415,096	1,824	2,724	8,474	21,173	42,586,834	1,692,790	44,279,624
2003	31,166,329	13,012,921	1,404,688	1,300	1,535	8,648	22,474	45,617,895	1,648,770	47,266,665
2004	34,014,070	14,182,468	1,393,938	1,581	767	9,064	23,060	49,624,948	1,528,412	51,153,360
2005	37,974,709	15,641,660	1,405,059	1,238	763	7,443	23,924	55,054,796	1,625,890	56,680,686
2006	42,355,573	18,062,700	1,438,619	1,334	1,133	6,224	25,660	61,891,243	1,717,938	63,609,181
2007	44,452,500	19,336,150	1,489,362	1,318	861	51	25,265	65,305,507	1,813,776	67,119,283
2008	44,933,692	19,653,568	1,551,601	987	3,190	295	26,559	66,169,892	2,054,176	68,224,068

Source: Wisconsin Department of Revenue

**County of Milwaukee, Wisconsin
Property Tax Rates Per \$1,000 Equalized Value*
Last Ten Fiscal Years**

<u>Year</u>	<u>General County Purposes</u>	<u>State Forestry and SEWRPC Tax</u>	<u>Total</u>
1999	5.64	0.22	5.86
2000	5.47	0.22	5.69
2001	5.52	0.22	5.74
2002	5.36	0.22	5.58
2003	5.06	0.22	5.28
2004	4.76	0.22	4.98
2005	4.54	0.22	4.76
2006	4.24	0.20	4.44
2007	3.91	0.19	4.10
2008	3.88	0.17	4.05

* The above property tax rates represent the average rate applicable to the County as a whole. The County tax rate applicable to any single municipality within the County is based on that municipality's assessed valuation.

**County of Milwaukee, Wisconsin
Tax Rates by Municipality
Last Ten Fiscal Years
(Rate Per 1,000 of Assessed Value)**

Fiscal Year Ending December 31

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Milwaukee County	\$ 3.88	\$ 3.91	\$ 4.24	\$ 4.54	\$ 4.76	\$ 5.07	\$ 5.36	\$ 5.52	\$ 5.47	\$ 5.64
<u>Villages</u>										
Bayside	21.53	21.21	22.28	22.98	25.17	25.04	28.45	27.22	28.70	29.94
Brown Deer	24.43	28.99	27.24	27.22	26.64	32.03	31.00	32.07	31.37	30.46
Fox Point	26.58	26.52	25.51	25.39	25.66	24.61	35.63	33.25	32.72	30.81
Greendale	23.13	23.25	23.47	24.15	27.76	28.30	28.60	28.52	27.75	30.20
Hales Corners	21.22	20.94	27.05	27.20	26.32	25.90	32.51	31.84	31.29	30.26
River Hills	21.06	22.30	21.86	22.81	22.14	30.56	30.15	30.00	29.11	28.13
Shorewood	23.60	23.46	33.76	32.27	33.75	33.27	32.17	29.78	28.11	36.70
West Milwaukee	27.78	27.89	27.19	33.36	32.19	31.80	30.46	38.38	39.31	38.43
Whitefish Bay	20.28	20.12	27.71	34.49	34.36	35.80	36.45	37.59	29.68	30.77
<u>Cities</u>										
Cudahy	24.16	25.22	23.64	24.05	26.71	26.32	27.91	28.27	28.96	28.62
Franklin	24.38	22.57	26.19	26.75	26.43	30.13	30.34	28.97	31.41	30.92
Glendale	23.87	22.85	22.38	22.27	29.92	28.27	26.53	26.48	25.49	32.01
Greenfield	27.09	25.88	25.70	25.88	25.23	24.30	31.46	30.93	29.80	30.43
Oak Creek	20.19	19.29	22.15	21.50	22.53	27.21	26.73	26.80	29.77	28.44
St. Francis	27.72	26.86	25.68	25.68	26.02	34.10	33.76	31.58	30.38	30.23
South Milwaukee	21.81	21.29	27.90	27.53	26.55	25.09	24.93	29.40	29.13	27.49
Wauwatosa	20.32	20.03	19.28	26.08	25.08	24.64	23.49	31.49	30.48	29.32
West Allis	23.79	23.57	22.73	26.28	26.29	28.60	27.83	31.33	30.63	29.87

**County of Milwaukee, Wisconsin
Top Fifteen Principal Property Tax Payers
(In Thousands)**

For the Year ending December 31, 2008*

<u>Company</u>	<u>Type of Business</u>	<u>Full Market Value</u>	<u>Percent of County Equalized Value</u>
Bayshore Town Center, LLC	Real Estate	\$ 346,670	0.51%
Northwestern Mutual Life Insurance Co	Insurance	337,277	0.49%
Mayfair Property Inc	Shopping Mall	296,066	0.43%
US Bank Corporation	Banking	279,039	0.41%
Marcus Corp/Milw City Ctr/Pfister	Hotels, Theaters, Convention Center	144,471	0.21%
Metropolitan Associates	Real Estate	139,373	0.20%
BRE Southridge Mall LLC	Real Estate	137,336	0.20%
Harley-Davidson	Mfgr, motorcycles	115,623	0.17%
Wheaton Franciscan Healthcare	Health Care	113,716	0.17%
M & I Marshall & Ilsley Bank	Banking	108,126	0.16%
NNN 411 East Wisconsin LLC	Real Estate	99,611	0.15%
Towne Realty	Real Estate	99,214	0.15%
Crichton-Hauck/Shoreline/Juneau Village	Real Estate	97,324	0.14%
Centerpoint Properties	Real Estate	90,318	0.13%
G.E. Medical System	Health Care	79,866	0.12%

For the Year ending December 31, 1999**

<u>Company</u>	<u>Type of Business</u>	<u>Full Market Value</u>	<u>Percent of County Equalized Value</u>
Northwestern Mutual Life	Life Insurance	\$ 180,954	0.50%
First Security Bank	Banking	172,301	0.47%
M & I Marshall & Ilesley Bank	Banking/Finance and Data Services	168,235	0.46%
JMB Realty Company	Real Estate Development	160,615	0.44%
Mayfair Property Inc	Real Estate Development	150,966	0.41%
Teacher's Ins Annuity	Insurance	144,451	0.40%
Metropolitan Associates	Real Estate Development	96,744	0.27%
Harley Davidson	Mfgr, motorcycles	95,967	0.26%
Marcus Corporation	Hotels, Theaters and Restaurants	88,491	0.24%
Towne Realty	Real Estate Development	83,811	0.23%
Miller Brewing Company	Mfgr, beer and aluminum containers	73,395	0.20%
Great Lakes	Real Estate Development	68,234	0.19%
100 E Wisc Ave Joint Venture	Real Estate Development	56,677	0.16%
Sampson Enterprises	Real Estate Development	53,965	0.15%
J. C. Penney Company	Retail Department Stores	53,203	0.15%

*Source: Wisconsin Department of Revenue 2008 and Survey of Municipal Assessors conducted by Milwaukee Metropolitan Sewerage District, November 2008.

Note: The Full Market Value information is as of 2007.

**Source: For the year ending December 31, 1999, County of Milwaukee, Wisconsin Comprehensive Annual Financial Reports

**County of Milwaukee, Wisconsin
 Outstanding Debt by Type
 Last Ten Fiscal Years
 (In Thousands)**

Fiscal Year Ended December 31	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Total Primary Government
	General Obligation Bonds	General Obligation Bonds	Revenue Bonds		
1999	399,730	84,510	-		484,240
2000	421,671	156,353	-		578,024
2001	418,523	68,393	83,565		570,481
2002	420,987	69,352	80,355		570,694
2003	405,168	65,861	83,457		554,486
2004	425,707	62,092	115,797		603,596
2005	420,674	58,917	146,987		626,578
2006	418,112	45,891	170,619		634,622
2007	422,851	29,475	184,213		636,539
2008	410,818	26,443	176,815		614,076

Source: County of Milwaukee, Wisconsin Comprehensive Annual Financial Reports

County of Milwaukee, Wisconsin
Ratio of General Obligation Bonded Debt to Equalized Valuation
And General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years
(In Thousands)

<u>Year</u>	<u>Population*</u>	<u>Equalized Value*</u>	<u>Bonded Debt*</u>	<u>Percent of Debt to Equalized Value</u>	<u>Bonded Debt Per Capita</u>
1999	957	36,405,051	495,409	1.36%	518
2000	955	38,230,329	494,459	1.29%	518
2001	940	41,774,112	486,916	1.17%	518
2002	941	44,279,624	487,129	1.10%	518
2003	941	47,266,665	467,444	0.99%	497
2004	939	51,153,360	482,859	0.94%	514
2005	939	56,680,686	473,723	0.84%	504
2006	952	63,609,182	456,597	0.72%	480
2007	951	67,119,283	452,326	0.67%	476
2008	938	68,224,068	437,261	0.64%	466

* Amounts expressed in thousands.

Source: Wisconsin Dept. of Administration - Demographic Services Center / U.S. Census.

County of Milwaukee, Wisconsin
Computation of Legal Debt Margin
Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ended December 31,

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Equalized Valuation as Determined by the Supervisor of Assessments of the Wisconsin Department of Revenue	\$ 68,224,068	\$ 67,119,283	\$ 63,609,182	\$ 56,680,686	\$ 51,153,360
Debt Limit Rate	5%	5%	5%	5%	5%
Debt Limit	3,411,203	3,355,964	3,180,459	2,834,034	2,557,668
Bonds and Notes Outstanding: Milwaukee County	(437,261)	(452,326)	(456,597)	(473,723)	(482,859)
General Obligation Bonds and Notes	\$ 2,973,942	\$ 2,903,638	\$ 2,723,862	\$ 2,360,311	\$ 2,074,809
Legal Debt Margin					

Fiscal Year Ended December 31,

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Equalized Valuation as Determined by the Supervisor of Assessments of the Wisconsin Department of Revenue	\$ 47,266,665	\$ 44,279,624	\$ 41,774,112	\$ 37,472,121	\$ 36,405,051
Debt Limit Rate	5%	5%	5%	5%	5%
Debt Limit	2,363,333	2,213,981	2,088,706	1,873,606	1,820,253
Bonds and Notes Outstanding: Milwaukee County	(467,444)	(487,129)	(486,916)	(494,459)	(495,409)
General Obligation Bonds and Notes	\$ 1,895,889	\$ 1,726,852	\$ 1,601,790	\$ 1,379,147	\$ 1,324,844
Legal Debt Margin					

* Note: General Obligation Bonds, as reported in Note 8 of Notes to the Financial Statements, includes the 1993, 1995 - 2003 Bonds and Bond Unamortized Refinancing losses of \$ 7,436

Source: County of Milwaukee, Wisconsin Comprehensive Annual Financial Reports

County of Milwaukee, Wisconsin
Direct and Overlapping Bonded Debt- General Obligation Bonds
December 31, 2008

	<u>Net Debt</u> <u>Outstanding</u>	<u>Percent</u> <u>Applicable</u> <u>to County</u>	<u>Amount</u> <u>Applicable</u> <u>to County</u>
<u>Direct</u>			
County of Milwaukee	\$ 437,261	100.0%	\$ 437,261
<u>Overlapping</u>			
<u>Villages</u>			
Bayside	10,570	96.3%	10,177
Brown Deer	18,816	100.0%	18,816
Fox Point	15,080	100.0%	15,080
Greendale	678	100.0%	678
Hales Corners	4,667	100.0%	4,667
River Hills	3,305	100.0%	3,305
Shorewood	18,880	100.0%	18,880
West Milwaukee	8,615	100.0%	8,615
Whitefish Bay	17,765	100.0%	17,765
<u>Cities</u>			
Cudahy	32,382	100.0%	32,382
Franklin	56,080	100.0%	56,080
Glendale	38,731	100.0%	38,731
Greenfield	26,581	100.0%	26,581
Milwaukee	686,033	100.0%	686,033
Oak Creek	7,550	100.0%	7,550
South Milwaukee	26,955	100.0%	26,955
St. Francis	-	0.0%	-
Wauwatosa	35,926	100.0%	35,926
West Allis	75,469	100.0%	75,469
<u>School Districts</u>			
Brown Deer	8,948	100.0%	8,948
Cudahy	13,444	100.0%	13,444
Foxpoint/Bayside	2,335	98.7%	2,304
Franklin	13,335	100.0%	13,335
Glendale-River Hills	4,000	100.0%	4,000
Greendale	19,205	100.0%	19,205
Greenfield	60,070	100.0%	60,070
Maple Dale/Indian Hill	325	100.0%	325
Milwaukee Area Technical College	102,547	82.4%	84,507
Milwaukee Public	63,475	99.9%	63,438
Nicolet High School	1,550	99.5%	1,542
Oak Creek/Franklin	64,075	100.0%	64,075
St. Francis	1,756	100.0%	1,756
Shorewood	14,000	100.0%	14,000
South Milwaukee	49,469	100.0%	49,469
Wauwatosa	2,915	100.0%	2,915
West Allis/West Milwaukee	43,185	93.9%	40,554
Whitefish Bay	2,724	100.0%	2,724
Whitnall	3,325	100.0%	3,325
Metropolitan Sewerage District	<u>906,721</u>	99.9%	<u>906,087</u>
Total Overlapping Debt	<u>2,461,487</u>	99.1%	<u>2,439,713</u>
TOTAL	<u>\$ 2,898,748</u>	99.2%	<u>\$ 2,876,974</u>

**County of Milwaukee, Wisconsin
Demographic and Economic Statistics
Last Ten Fiscal Years**

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Public School Enrollment (4)</u>	<u>Private School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
1999	956,688	27,149	151,364	36,295	3.8%
2000	955,026	28,266	150,950	36,941	4.7%
2001	939,919	30,026	150,778	39,061	5.6%
2002	941,091	30,773	151,303	39,250	7.0%
2003	941,301	31,228	152,380	38,569	7.3%
2004	939,358	32,380	152,712	37,323	6.4%
2005	938,995	32,357 (3)	147,773	38,434	5.9%
2006	952,315	34,121 (3)	146,269	38,363	5.7%
2007	951,252	35,852 (3)	143,566	39,801	6.0%
2008	938,490	N/A	141,942	39,795	5.9% (6)

(1) Source: Wisconsin Dept. of Administration - Demographic Services Center / U.S. Census.

(2) Source: Wisconsin Dept. of Revenue Division of Research and Policy, County Personal Income Report, April 4, 2007. Report did not contain data for years 2005 and 2006.

(3) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, 2008 information is not available

(4) Source: Wisconsin Dept. of Public Instruction

(5) Source: Wisconsin Dept. of Workforce Development and Federal Bureau of Labor Statistics

(6) Source: Wisconsin Dept. of Workforce Development - Office of Economic Advisors

**County of Milwaukee, Wisconsin
Top Ten Major Employers**

For the Year ending December 31, 2008*

Employer	Type of Business or Service	Number of Employees
Aurora Health Care	Health Care System	25,937
Wheaton Franciscan Healthcare	Health Care System	9,020
Roundy's Supermarkets Inc.	Food Distributor & Retailer	8,480
Quad/Graphics Inc.	Printing	7,000
Kohl's Corporation	Retail Department Store	6,900
GE Healthcare	Medical Equipment/Services	6,462
Wal-Mart Stores Inc.	Discount Retail Store	6,229
Northwestern Mutual Life Insurance	Life Insurance, Disability Insurance & Annuities	5,100
Pro-Health Care Inc.	Health Care System	4,936
Wisconsin Energy Corporation	Utilities	4,700

For the Year ending December 31, 1999**

Employer	Type of Business or Service	Number of Employees
Milwaukee Public Schools	Education	11,377
Aurora Health Care	Health Care	9,832
U.S. Government (Excludes V.A. Medical Center)	Government	8,108
City of Milwaukee	Government	7,730
Milwaukee County	Government	7,350
Covenant Health Care	Health Care	5,823
Wisconsin Electric Power Company	Electric Utility	5,372
M & I Marshall & Ilsley	Holding Company Banking/Finance and Data Services	5,333
Rockwell Automation (formerly Allen-Bradley)	Manufacturer, Electrical/Electronic Products	4,073
Briggs and Stratton	Manufacturer, Small Engines, Automotive Locks & Key	3,301

*Source: For the year ending December 31, 2008, The Business Journal's Book of Lists 2009, December 26, 2008

Note: Over the last four years, the County has been unable to provide employer information for private, public and non-profit entities due to lack of participation by some firms. Therefore, major employer information is limited to major private employers within Milwaukee County.

**Source: For the year ending December 31, 1999, Department of Administration January 2000 survey. Wisconsin Department of Workforce Development quarterly report, "Employment and Wages".

**County of Milwaukee, Wisconsin
County Employees by Function
Last Ten Fiscal Years**

Fiscal Year Ended December 31

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Function										
Legislative, Executive, and Staff	311	343	371	369	356	373	400	440	425	431
Courts and Judiciary	423	433	456	471	475	510	466	541	510	489
General Governmental Services	60	69	68	67	63	69	68	69	68	66
Public Safety	1,554	1,531	1,553	1,577	1,604	1,701	1,791	1,789	1,785	1,727
Public Works and Highways	585	587	583	646	639	657	722	721	624	624
Human Services	1,825	1,799	1,818	1,820	1,771	1,887	1,990	2,092	2,444	2,457
Parks, Recreation, and Culture	658	660	612	620	654	683	813	858	884	905
Total	<u>5,416</u>	<u>5,422</u>	<u>5,461</u>	<u>5,570</u>	<u>5,562</u>	<u>5,880</u>	<u>6,250</u>	<u>6,510</u>	<u>6,740</u>	<u>6,699</u>
County-wide totals										
Regular	4,794	4,835	4,908	4,993	4,956	5,274	5,662	6,555	7,311	7,350
Seasonal	779	776	801	748	781	795	763	844	3,695	3,576

Source: County of Milwaukee, Wisconsin Payroll System

**County of Milwaukee, Wisconsin
Operating Indicators by Function
Fiscal Year Ended December 31, 2008**

		Function	
Legislative, Executive, and Staff		General Governmental Services	
Audit		Election Commission	
Financial/Internal Control Audits (hrs)	834	Elections	4
Performance Audits (hrs)	11,443	Special Elections	-
Special Projects/Hotline Activities (hrs)	3,448	Recount Elections	-
Accounts Reconciled	743	State/Cty/Mun/SchBd Referendum	12
Procurement		Campaign Finance Statements	167
Purchase Orders	1,541	Nomination Papers Received	37
Formal Bids	47	Election Ballot Set-up/proofing	4
Informal Bids	32	Challenges to Nomination Papers	2
Request for Proposal	1	Challenges to Recall Petitions	-
Quotes	127	Recall Elections/Petitions/Hearings	-
General Awards	1,334	Statistical Booklet	-
Human Resources		Elections requiring Braille Ballots	4
Tuition Loans Processed	65	Election Commission Meetings	1
On-Line Applications (07/01/08 - 12/13/08)	7,278	State/County Joint Hearings	-
Job Requisitions Requested (06/27/08 - 12/13/08)	269	Treasurer	
Public Safety		Checks Issued	96,301
Medical Examiner		Lost Checks/Stop Payments	1,896
Autopsies	948	Property Tax Receipts Issued	5,865
Death Certificates	1,736	Delinquent Tax Notices Processed	4,950
Cremation Permits	3,390	Tax Forms Furnished	958,872
Death Investigated	5,242	Register of Deeds	
District Attorney		With Transfer Fee	12,237
Felony Cases Filed	6,437	Without Transfer Fee	8,619
Misdemeanor Cases Filed	7,648	Total Transfer Fees	8,699,611
Criminal Traffic Cases Filed	6,397	Average Real Estate Sale Price	236,977
CHIPS Cases Filed	1,820	Foreclosures (LisPendens)	6,811
Juvenile Delinquency Cases Filed	2,188	Wisc Commerce Department Stipulations	865
Termination of Parental Rights Cases Filed	395	Total Mortgages	39,505
Sheriff		Assignments	9,914
Traffic Citations	34,737	Partial Release	1,150
Auto Accidents Reported and Investigated	6,197	Release	44,146
Background Checks*	388	Land Contracts	134
Criminal Complaints Issued	1,379	Sheriff Deeds	3,086
Writs of Assistance (Foreclosures)	1,119	Joint Tenancy Survivorship	1,557
Writs of Restitution (Evictions)	2,783	Federal Tax Liens	3,002
Temporary Restraining Orders Received	4,791	Financing Statements	1,085
911 Phone Calls	815,542	Military Discharge	20
Civil Process Papers Served	19,952	Electronic Recording	20,690
House of Correction		E-Docs % of Total Documents	0.14
Avg Daily Population-Milwaukee County Jail Overflow	618	Total Records	143,085
Huber/Work Release	596	Vital Statistics-Births	16,578
Probation and Parole	306	Vital Statistics-Marriages	4,388
Municipal Commitments	66	Vital Statistics-Deaths	9,527
Sentenced Inmates	592	Copies Issued-Paid	90,382
Electronic Surveillance	171	Copies Issued-Free	286
Total Inmate Population	2,349	Subdivision Plats No.	5
Public Works and Highways		Subdivision Plats Lots	107
County Truck Highways Maintained (Lane Miles)	343	Condominium Plats No.	26
State Truck Highways Maintained (Lane Miles)	634	Condominium Plats Units	484
Expressways Maintained (Lanes Miles)	1,141	Copies and Images	342,147
County Parkways Maintained (Lanes Miles)	-	Recorded Documents	1,428,209
County Truck Highways Grass Mowed (Acres)	665	Vital Statistics	405,345
State Truck Highways Grass Mowed (Acres)	782	County Share Transfer Fee	1,739,976
Expressways Grass Mowed (Acres)	1,876	Total Revenue	3,915,677
Health and Human Services		County Clerk	
Emergency Medical System		Marriage Licenses	4,752
Dispatches	45,353	Marriage License Waivers	179
Doctor Calls	1,426	Marriage Civil Ceremonies	953
Medical Transports	21,737	Dog/Cat Licenses	(Municipal Svc)
Reports	31,233	County Board Files	485
		County Board Citations	(County Board Svc)
		County Ordinances	17
		County Board Proceedings Pages	940

**County of Milwaukee, Wisconsin
Operating Indicators by Function
Fiscal Year Ended December 31, 2008**

		Function		
General Assistance Medical Program (GAMP)		County Clerk (continued)		
Approved Applications	23,065	County Board Digests, Actions Summarized/Routed		(County Board Svc)
Denied Applications	4,077	Employee Garnishments		2,514
Terminated Applications	1,222	Employee Wage Assignments		9,561
Aging Programs and Services		Employee Tax Levies		(Incl w/ garnishes)
Senior Meals Program Congregate	373,022	Contractor Lien Notices/Vendor Tax Levies		43
Senior Meals Program Home Delivered	246,650	Contractor Qualification Statements		130
Senior Meals Program - Volunteer Hours	82,272	Claims Processed		346
Specialized Transportation Services One-Way Rides	105,308	Summons and Complaints Processed		126
Participants-Senior Centers	6,696	Construction Bid Notices		52
Participants-Wellness Works Program	35,279	Legal Documents Assigned to Central Files		33 (plus amends)
Benefit Specialist/Legal Services (In Hours)	11,679	Lobbying Principals Registered		16
Employment Training and Placement Svcs (Hours)	59	Lobbyists Registered		28
Information and Assistance Contact Calls 24 Hours	31,228	Passport Applications Accepted		578
Information inquiries	58,743	Oaths of Office Administered		48
Meals and Transportation Assistance	105,308	Behavioral Health		
Web Site Visits	6,684	Inpatient Services		
Long Term Care Applications Processed	1,898	Acute Adult Inpatient-Average Daily Census		98
Functional Screens Performed	3,056	Acute Adult Inpatient-Number of Patients Served		1,880
Care Management Organization (CMO)		Acute Adult Inpatient-Number of Admissions		2,528
Family Care New Enrollees	1,198	Acute Adult Inpatient-Number of Patient Days		35,917
Family Care Continual Enrollees	5,400	Acute Adult Inpatient-Average Length of Stay		14
Family Care Dis-enrolled Clients	1,227	CAIS Inpatient-Average Daily Census		11
Economic Support Division		CAIS Inpatient-Number of Patients Served		1,171
Food Stamps (Average Monthly)	65,967	CAIS Inpatient-Number of Admissions		1,584
Medicaid Individuals Served (Average Monthly)	215,696	CAIS Inpatient-Number of Patient Days		3,851
Child Day Care (Families Per Month)	14,040	CAIS Inpatient-Average Length of Stay		3
Interim Disability Assistance Program	125	Nursing Home Services		
Average Monthly IDAP Grant	205	Rehabilitation Center Central-Average Daily Census		67
Delinquency and Court Services Division		Rehabilitation Center Central-Number of Patients Served		86
Detention, Court Intake and Probation Caseloads:		Rehabilitation Center Central-Number of Admissions		19
Staffed Capacity of Juvenile Detention	109	Rehabilitation Center Central-Number of Patient Days		24,355
Annual Detention Admissions	3,143	Rehabilitation Center Hilltop-Average Daily Census		72
Average Monthly Probation/Court Intake Cases	3,059	Rehabilitation Center Hilltop-Number of Patients Served		77
Average Monthly Delinquency Referrals	285	Rehabilitation Center Hilltop-Number of Admissions		11
State Dept of Corrections Post-Disposition Placements:		Rehabilitation Center Hilltop-Number of Patient Days		24,232
Average Monthly Cases-Corrections	263	Community Services		
Average Monthly Cases-Child Care Institution	9	Community Support Program-Number of Patients Served		391
Juveniles Served in Community Programs:		Community Support Program-Number of Admissions		22
(Pre-Dispositional Supervision)		Community Support Program-Number of Contacts (Visits)		49,810
Temporary Shelter Care	888	Adult Day Treatment-Average Daily Census		18
Level II Monitoring	1,006	Adult Day Treatment-Number of Patients Served		100
In-Home Monitoring	15	Adult Day Treatment-Number of Admissions		80
Day Center	-	Adult Day Treatment-Number of Appointments		17,133
First Time Juvenile Offender Program	394	Adult Day Treatment-Number of Visits		4,623
(Post-Dispositional Supervision)		Targeted Case Management-Number of Patients Served		295
FOCUS	80	Targeted Case Management-Number of Admissions		52
Wraparound	705	Targeted Case Management-Number of Contacts (Visits)		9,477
Group Home Care	94	Crisis Services		
Foster Care	3	Psychiatric Crisis Services-Admissions		12,509
Sex Offender	87	CWIC-Number of Patients Served		1,973
Day Treatment	159	CWIC-Number of Admissions		1,842
Serious Chronic Offender	91	CWIC-Number of Appointments		6,498
Probation Network Services	380	Crisis Response-Number of Patients Served		929
Girls Program-Family Connections	56	Crisis Response-Number of Admissions		1,066
Firearm Project	105	Crisis Response-Number of Appointments		1,405
Disabilities Services Division		Crisis Respite-Number of Patients Served		282
DD Service Bureau-Adults:		Crisis Respite-Number of Admissions		304
Community Residential	7	Alcohol and Other Drug Abuse Services		
Community Living Support Services	649	Methadone Detox		199
Work and Day Services	139	Inpatient Care (Detox)		3,477
Long Term Support	1,716	Intake Assessments		4,235
DD Service Bureau-Children:		Outpatient		2,717
Children's LTS Waiver (Autism)	296	Day Treatment		729
Children's LTS Pilot Re-design	63	Day Treatment-Residential		772
Work and Day Program (Birth-3 Early Intervention)	3,568	Community Living Support Services		4,408
Family Support	447			
Physical Disabilities:				

**County of Milwaukee, Wisconsin
Operating Indicators by Function
Fiscal Year Ended December 31, 2008**

	Function	
Disabilities Services Division (continued)		
Long Term Support Services	789	Transit/Para transit
Resource Center Services:		Buses Assigned
Watts Reviews	719	Buses Operated
Phone Calls	15,480	Bus Miles Traveled
COP Assessments/Competency Evaluations	1,017	Bus Hours Driven
Referrals Processed	1,976	Revenue Passengers
		Transit Plus Ridership
Housing Division (DHHS in 2008)		
Special Needs-Safe Haven (Persons/Year)	55	Parks, Recreation, and Culture
Special Needs-Shelter Plus Care (Persons/Year)	475	Zoo
HOME/Home Repair-# of New Loans	114	Zoo Attendance-Adults
Housing Choice Voucher:		Zoo Attendance-Junior
Payments to Owners	11,155,704	Zoo Attendance- Free to County Residents
Households Assisted	1,764	
		Parks
		Facilities Rentals- Picnic Shelters
		Facilities Rentals- Buildings
		Facilities Rentals- Lodges
		Facilities Rentals- Pools
		Slip Rentals
		Special Event Permits
		Rounds of Golf
		Pool Attendance
		Airport
		Passengers Served
		Number of Carriers - Commercial
		Number of Runways
		Acreage
		Daily Departures/Arrivals
		Aircraft Operations
		Revenue Landing Weight (in 1,000 lbs)
		Air Freight (in 1,000 lbs)
Courts and Judiciary		
Register in Probate		
Civil Commitment - Adult	5,278	
Civil Commitment - Juvenile	472	
Guardianship/Conservatorship	265	
Protective Placement	342	
Annual Review of Protective Placement	1,529	
Informal Administration	1,161	
Estate Administration	137	
Trusts	42	
Special Administration, Summary Proceedings	233	
Descent/Life Estate	6	
Adult Adoption	18	
Wills Deposited For Safekeeping	94	
Temporary Guardianships	20	
Ancillary Proceedings	3	

* Only includes background investigations completed by the Criminal Investigations Division

**County of Milwaukee, Wisconsin
Capital Asset Statistics by Function
For the Fiscal Year Ended December 31, 2008**

Function

Legislative, Executive, and Staff

Vehicles - Cars, Vans, Suvs, Pickup Trucks 3

Public Safety

General

Buildings 1

Medical Examiner

Vehicles - Cars, Vans, Suvs, Pickup Trucks 2

District Attorney

Vehicles - Cars, Vans, Suvs, Pickup Trucks 10

Sheriff

Ambulance 1
Bomb Trucks 1
Generator 1
K-9 Vehicles 3
Parking Checker Vehicles 2
Squad Cars 69
Vehicles - Cars, Vans, Suvs, Pickup Trucks 53

House of Correction

Barn and Four Silos 1
Buildings 16
Buses 2
Cargo Vehicles 2
Chicken Coops 1
Creamery 1
Dump Trucks 2
Fuel Storage Tanks 2
Garages 2
Greenhouses 1
Kennels 1
Pump Houses 2
Spreaders 1
Toll Booths and Sheriff Check-In 2
Tractors 2
Trailers 1
Vehicles - Cars, Vans, Suvs, Pickup Trucks 9
Warehouses, Storage Buildings and Sheds 12
Water Towers 1

Public Works and Highways

Air Compressors	11	Mowers and Attachments	38
Asphalting Equipment	22	Other Miscellaneous Road Working Equip	7
Back Hoe and Attachments	2	Pump House	1
Buildings	9	Snow Plows and Attachments	184
Cranes and Attachments	11	Spreaders, Graders and Attachments	114
Dump Trucks and Other Large Trucks	93	Sweepers, Cleaners and Attachments	23
Electrical Substation	2	Tractors	19
Fork Lifts and Attachments	9	Trailers	8
Garages	7	Vehicles - Cars, Vans, Suvs, Pickup Trucks	69
Generators and Hydraulic Power Units	5	Water Pumps and Tanks	12
Liquid Calcium Applicators	47	Water Towers and Reservoirs	5
Loaders and Attachments	21	Warehouses, Storage Buildings and Sheds	14

Parks, Recreation, and Culture

Parks

Backhoe, Crane, Fork Lift and Attachments	12	Loaders and Attachments	20
Band Shells and Amphitheater	3	Miscellaneous Equipment	30

**County of Milwaukee, Wisconsin
Capital Asset Statistics by Function
For the Fiscal Year Ended December 31, 2008**

**Function
Parks (continued)**

Barns and Silos	5	Mowers and Attachments	57
Bathhouses	16	Nature Preserves and Gardens	7
Bathhouse/Pavilions	27	Parking Structures	1
Bike Trails	3	Parks	128
Boat Launches	1	Parkways	16
Boathouses	3	Pavilions	30
Booths	14	Pools	18
Buildings	128	Pump houses	9
Comfort Stations	28	Recreation Buildings	4
Community Centers	3	Scooters	19
Concession Stands	4	Shelters	32
Dam and Dam Dugout	2	Ski Chalets	1
Dump Trucks and Other Large Vehicles	27	Snow Plows, Equipment and Attachments	123
Garages	7	Spreaders and Attachments	49
Gazebos	2	Storage Containers	5
Golf Clubhouses	13	Storage Sheds	107
Golf Courses	13	Tractors	28
Golf Dome	1	Trailers	8
Harvesters	11	Tree and Brush Equipment	8
Hoppers	5	Vehicles - Cars, Vans, Suvs, Pickup Trucks	156
Houses and Lodges	11	Wading Pools	38
Indoor Baseball Facilities	1	Water Playgrounds	1
Lighthouse	1	Weed Sprayers and Attachments	23

Zoo

Animal Dens	4	Farm Entry Structures	1
Animal Exhibits	6	Garages	1
Animal Islands	1	Gazebos	3
Animal Overlooks	2	Loaders and Attachments	3
Animal Petting Rings	1	Observation Decks	2
Aviaries and Pheasantries	5	Parking Lot	1
Barns	12	Photovoltaic Solar Systems	2
Standalone Bleachers	2	Pools	1
Boat Landings	1	Pump Houses	2
Booths	16	Roadway Sweeper	1
Buildings	36	Sheds	7
Carousels	1	Shelters	4
Catch Basin Cleaner	1	Snow Plows	6
Chick Hatchery	1	Spreaders and Attachments	4
Clubhouses	1	Stages	2
Comfort/Concession Stations	8	Storage Containers	7
Dump Trucks	1	Theaters with Bleachers	2
Electrical Substation	1	Train Depot and Crossing Shacks	4
Entrance Kiosks	3	Vehicles - Cars, Vans, Suvs, Pickup Trucks	17
		Wishing Well	1

**County of Milwaukee, Wisconsin
Capital Asset Statistics by Function
For the Fiscal Year Ended December 31, 2008**

**Function
Health and Human Services**

Ambulances	2	Sheds	2
Buildings	2	Wading Pools	1
Recreational Centers	2	Vehicles - Cars, Vans, Suvs, Pickup Trucks	5
Senior Centers	6		

Behavioral Health

Buildings	3	Passenger Vans	1
Centers	2	Sheds	1
Mini Vans	3	Wheelchair Accessible Vans	1

Airport

Air Traffic Control Towers	1	Other - Miscellaneous	15
Buildings	45	Parking Structures	1
Bus/Lot Shelters	8	Pump Houses	2
Cargo Carriers	3	Remote Transmitter	1
Crash and Rescue Facility	1	Spreaders, Deicers, Salters and Attachments	19
Dump Trucks and Attachments	12	Snow Plows and Attachments	43
Entrance/Exit Helix	2	Sweepers and Attachments	11
Fire Trucks	6	Taxi Stop Boxes	1
Ground Run-up Enclosures	2	Teller boxes	3
Guard Shack and Check Station	2	Terminals and Concourses	5
Hangars	25	Toll Booths	12
Hydrant Fuel System	1	Tractors	10
Kennels	2	Vehicles - Cars, Vans, Suvs, Pickup Trucks	39
Loaders and Attachments	19	Warehouses, Storage Buildings and Sheds	19
Mowers and Attachments	17		

Transit

Buildings	15	Sheds	1
Bus Waiting Stations	4	Shelters	2