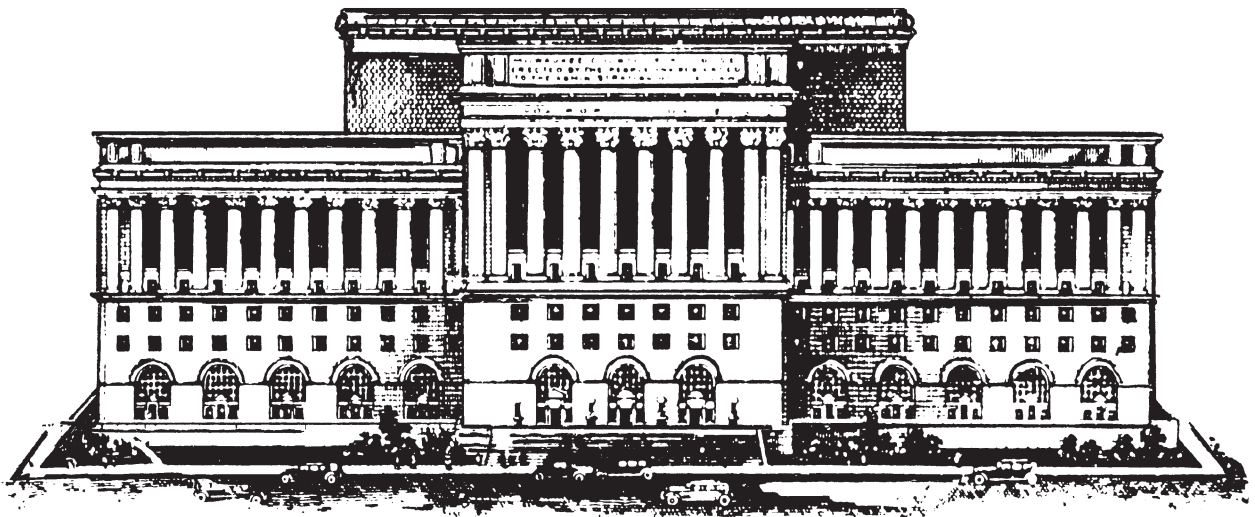


**COUNTY OF  
MILWAUKEE, WISCONSIN**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2010**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**COUNTY OF MILWAUKEE**

**WISCONSIN**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

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

**COUNTY OF MILWAUKEE  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For the Year Ended December 31, 2010**

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## **INTRODUCTORY SECTION (Unaudited)**

- **Letter of Transmittal**
- **GFOA Certificate of Achievement for Excellence in Financial Reporting for 2009**
- **Organizational Chart**
- **List of Principal Officials**



**MILWAUKEE COUNTY EXECUTIVE CHRIS ABELE**

**Department of Administrative Services**  
Patrick Farley, Director

July 29, 2011

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, 2010 is hereby submitted for your information. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of Milwaukee County, Wisconsin. All disclosures necessary to enable the reader to gain an understanding of Milwaukee County, Wisconsin activities have been included.

The CAFR is presented in three sections:

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

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

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

## Financial Section Overview

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

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

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

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

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

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

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

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

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

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

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

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

Milwaukee County serves as the population, economic and financial center of the State. The City of Milwaukee, which acts as the County seat, contains approximately 63 percent of the County's population and 47 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. Major reconstruction on I-94 from Milwaukee to Illinois, which began in 2009 and continuing into 2011.

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 2010, the Port of Milwaukee handled approximately 2.4 million metric tons of materials. Major commodities included in this tonnage were coal, salt, grain, cement, steel and international shipping containers. In 2010, the State of Wisconsin and the City of Milwaukee jointly funded the expansion of the interstate on-ramp to I-794 at Carferry Drive to a 200-foot radius. This will allow over-dimensional trucks to enter the Milwaukee County freeway system directly from all port docks and eliminating the need for these trucks to unsafely travel through tight city streets. The Port is also

home to the Lake Express high-speed passenger and auto ferry, which travels three times per day to Muskegon, Michigan in just 2 ½ hours. The commercial port supports 2,000 jobs and nets a profit between \$1 million to \$3 million per year.

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. 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 moving towards a service-based economy.

According to the Metropolitan Milwaukee Association of Commerce (MMAC) Business Outlook Survey, second quarter 2011, Milwaukee area businesses have indicated more optimistic expectations toward growth prospects in 2011. For the second quarter 2011, year-over-year, 73 percent of businesses surveyed expect sales increases, while 62 percent predict profit gains. Employment gains are expected to grow with 48 percent of companies surveyed predicting increases, which is an increase over those prediction employment increases in the 2010 fourth quarter survey of 34 percent. The survey contains responses from 122 Milwaukee area firms, employing more than 72,400 people.

The average annual unemployment rate for Milwaukee County was 9.5% for 2010 compared to 9.6% for 2009. The highest monthly unemployment rate for Milwaukee County was in February and March 2010 at 10.8%. Subsequently, the rate began dropping to a final low in December 2010 of 8.1%. In 2011, the average unemployment rate was 8.8% for Milwaukee County, with a rate for the month of May 2011 of 8.9%. The national average annual unemployment rate was 9.6% for 2010 and 9.3% for 2009. All above rates were not seasonally adjusted and are from the US Department of Labor, Bureau of Labor Statistics.

According to the Wisconsin Department of Administration, Demographic Services Center, Milwaukee County's population for 2010 totaled 928,449 a decrease of approximately 0.4 percent from the 2009 population estimate.

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



## D) MAJOR INITIATIVES BY CLASSIFICATION

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

### Governmental Activities

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

- The County Board makes fiscal and programmatic decisions and provides overall policy direction to assure essential and important services for the community to meet the safety, health and welfare needs of its citizens and the financial impact to the taxpayers.
- The Office of Community Business Development Partners (CBDP) is responsible for administering the County's disadvantaged business enterprise (DBE) program.
- The Department of Audit provides the County Board with a constant overview and independent review of County operations. The department is also responsible not only for overseeing the external audit of the financial statements but also for reviews of internal accounting and administrative controls, compliance with applicable laws and regulations, economy and efficiency of operations and effectiveness in achieving program results.
- The County Executive is the elected chief administrative officer for Milwaukee County. The County Executive coordinates and directs all administrative and management functions of County government; appoints department heads and members of boards and commissions, subject to County Board confirmation; submits annually a recommended budget to the County Board; communicates to the County Board the condition of the County or other matters requiring their attention; and approves or vetoes all resolutions or ordinances enacted by the County Board.
- The Department of Administrative Services is responsible for a variety of governmental functions. The various divisions provide services for other departments including information management, risk management, human resources, labor relations, administration and financial oversight, procurement and employee benefits.

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

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

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

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

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

- The Election Commission administers Federal, State, County, and Municipal elections in a manner that assures public confidence in the accuracy, efficiency and fairness of the election process and to enforce State Election and Campaign Finance laws.
- The County Treasurer acts as the County's banker, receiving and disbursing all funds as provided by state law and county ordinances; providing for daily cash requirements of Milwaukee County, and investing public funds not used for daily operations. The Treasurer's Office also collects delinquent property or real estate taxes in Milwaukee County's 18 suburban municipalities as required by State Statutes. The County Treasurer also maintains property tax data that is accessible to the public at the Courthouse office.

- The County Clerk records the proceedings of the County Board of Supervisors, 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 Register of Deeds records, indexes and scans real estate documents, corporation papers, military discharges, informal probate instruments and financing statements; files and indexes birth, marriage and death certificates; sells copies of the above described documents; collects the real estate transfer tax; and performs such other functions as provided by law.

4) **Public Safety** consists of:

- The Office of the Sheriff acts as an arm of the criminal justice system, carrying out criminal investigations, effecting arrests and warrants, detaining prisoners, providing court security, serving process papers, transporting prisoners and patients and extraditing criminals. The Office of the Sheriff is organized into the following:
  - ❖ The Administration Bureau performs management and support functions for the Sheriff as well as community relation's activities, communications, training and public information. Also included in this bureau is the Internal Affairs Division, which investigates all incidents involving Sheriff's Office personnel.
  - ❖ The Emergency Management Division provides direction and guidance to all County and municipal agencies, as well as the private sector, in the development of individual emergency plans.
  - ❖ The Police Services Bureau is responsible for patrolling the County airports, County grounds, County parks and expressways. In addition, the Bureau includes the Civil Process Unit, Criminal Investigation Division, the Drug Enforcement Unit, the High Intensity Drug Trafficking Area, the SWAT team, the bomb disposal unit and the dive team. In addition, they serve state-mandated civil writs such as temporary restraining orders, commitments to mental health, body attachments, writs of restitution/assistance, executions and evictions.

- ❖ The Detention Services Bureau includes the County Correctional Facilities, the County Correctional Facility South, Inmate Transportation, Medical and Psychiatric Services units, Court Services, Support Administration, and Central Records. The Bureau also operates a program of home detention, which uses electronic surveillance equipment and other systems of control and supervises inmates who have community access under court order to work, attend school, provide childcare or to receive medical attention.
- The District Attorney's Office investigates police shootings of civilians and deaths in police custody, public corruption, major multi-jurisdictional crimes, industrial deaths and injuries, as well as providing post-charging investigation on major crimes, and maintains office security. The Office also operates, and administers numerous federal and state grant funded programs.
- The Medical Examiner's Office is charged with investigating and determining the cause, circumstances and manner in each case of sudden, unexpected or unusual death. The Office also provides services in the area of public health and safety.

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

- The Department of Transportation and Public Works administers two County airports; the transit-paratransit system; transportation services; architectural, engineering and environmental services; highway maintenance; fleet management; facilities management and real estate services.
  - ❖ The Airport Division is classified as a business type activity in the Government-wide financial statements and a description of this division can be found in the Business-type Activities section.
  - ❖ The Transit-paratransit System is classified as a business type activity in the Government-wide financial statements and a description of this division can be found in the Business-type Activities section.
  - ❖ Transportation Services provides planning, design, and construction management for capital projects on County trunk highways and County-owned bridges.
  - ❖ The Architectural, Engineering and Environmental Services Division provides professional and technical services related to the reconstruction and rehabilitation of the County's natural resources and public infrastructure.

- ❖ The Highway Maintenance section maintains all County trunk highways, State trunk highways and expressways. It is also responsible for maintaining vacant freeway lands and the North Shore right-of-way.
- ❖ The Fleet Management Division purchases and maintains vehicles and equipment used by Milwaukee County departments. Key elements to this program include minimizing vehicle and equipment downtime, providing a preventative maintenance program and educating users on safe operation and daily maintenance.
- ❖ Facilities Management provides services focused on asset management and the preservation of County owned property, and ensures that all County owned buildings are clean, safe, user-friendly, and meet the needs of all tenants, employees and the general public.
- ❖ Real Estate Services manages, sells and acquires real estate for Milwaukee County.
- Director's Office is responsible for the management of the Department of Transportation and Public Works administrative functions, transportation planning, and real estate services.

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

- The Department of Health and Human Services (DHHS) provides a wide range of life-sustaining, life-saving and life-enhancing services to children and adults through age 60. Programs serve specific populations such as delinquent youth; persons who are developmentally, physically or mentally ill; the homeless; and those in need of financial assistance. Many DHHS services are mandated by state statute and/or provided through a contract between the state and county. DHHS consists of seven service areas:
  - ❖ The Behavioral Health Division provides care and treatment of persons with disorders related to alcohol and substance abuse as well as developmentally, emotionally and mentally ill adults, children and adolescents. The range of services provided by the BHD encompasses inpatient care (both short term and extended), outpatient care and day treatment.

- ❖ The County Health Programs 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. The Emergency Medical Services (EMS) Program (Paramedics) is a Milwaukee County-managed and sponsored program designed to benefit the entire community.
- ❖ The Management Services Division provides contract administration and quality assurance, accounting, business office, collections, building operations and procurement services to the Director's Office, Delinquency and Court Services, Economic Support, Housing and Disabilities Services divisions.
- ❖ The Disabilities Services Division provides 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.
- ❖ The Economic Support Division administers the Energy Assistance Program, Interim Disability Assistance Program and a contract with IMPACT 211, a referral service for individuals in need of social services. Prior to 2010, ESD administered the Food Share, Medical Assistance (Title-XIX) and Child Day Care programs on behalf of the State of Wisconsin. Effective January 1, 2010, the state assumed management of these programs under a hybrid model utilizing the county's represented employees to deliver program services under the supervision of state managers.
- ❖ The Housing Division administers the federal Department of Housing and Urban Development (HUD) funded Special Needs, Housing Choice Voucher (Rent Assistance), HOME/Home Repair, and Community Development Block Grant (CDBG) programs. The Division also manages the County Special Needs Housing Trust Fund and the Inclusive Housing Fund, and administers contracts providing general operational support to community emergency shelter providers.

- ❖ The Delinquency and Court Services Division provides custodial intake services, administers a wide continuum of juvenile justice programs and provides support staff for the operation of the Children's Court. The division operates a 120-bed secure juvenile detention center facility, primarily housing juveniles pending a court hearing or those deemed out of compliance with supervision conditions.
- The Department of Aging was created in 1991 to serve as Milwaukee County's designated Area Agency on Aging under the Older Americans Act and as the County's designated unit to administer aging programs. The Department plans for and services the growing needs of Milwaukee County's large and diverse older adult population. The Department includes:
  - ❖ Administration includes the Director's Office and the Fiscal and Support Services Division. The major functions of the Fiscal and Support Services Division include budget development and management, accounting, and personnel administration.
  - ❖ Area Agency Services provides a network of support services to the aging population including the Senior Meal Program, contracts 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 acts as the point of entry for the Department's Family Care and all other long-term care programs and is responsible for arranging short-term assistance for older adults with immediate or pressing needs. It is the primary source of quality information and assistive services on issues affecting persons 60 years of age and older and their family support networks.
- The Department of Family Care coordinates all long-term care services, including home and community based services and institutional services for eligible elders who require publicly funded long term care services. In 2010, the program separated from the Department on Aging, and is beginning to serve individuals with disabilities.



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

- The Department of Parks, Recreation and Culture serves Milwaukee County citizens and visitors by preserving and protecting the all-natural environments, providing open space for public recreation, and providing a variety of safe and active recreation opportunities to the public.
  - ❖ Administration and External Affairs Division is responsible for administrative functions including finance, human resources, contracts, marketing, safety, security and training. It also works and coordinates activities with the dozens of public and private partners and over 40 “friends” groups. The division also assists with major events such as the Milwaukee Air and Water Show.
  - ❖ Planning and Development Division is responsible for the design and construction of capital projects (in conjunction with the Department of Transportation and Public Works – Architecture and Engineering Division), and the Parks Maintenance Section.
  - ❖ Field Operations Division oversees individual parks field operations throughout Milwaukee County. This division is organized into four sections: North and South Regions, Forestry, Trails and Parkways, and Golf and Turf Maintenance.
  - ❖ Recreation Services Division provides a variety of recreational programming to both residents and non-residents of Milwaukee County. The department is organized into four sections: Recreation and Aquatics, Concessions and Clubhouse Operations, Public Services, and Horticulture.
- The Zoological Department operates the Milwaukee County Zoo, which is situated on 200 acres with approximately 465,124 square feet of facilities. The Zoo includes three divisions: Animal Management and Health, Operations Administration and Finance, and Public Affairs and Services. These divisions provide a work force organized to address the seasonal nature of operations, increase attendance and revenue-earning opportunities and provide optimum animal care.
- The Milwaukee County University Extension Service connects people to university knowledge they can use. The Service makes a special effort to reach those who are traditionally underserved including people of color, low-income families, and people with disabilities. The Service provides low-cost educational opportunities that emphasize: crisis prevention, youth leadership, and the strengthening of personal and professional skills, leading to an improved quality of life for Milwaukee County citizens. The Service consists of Administration, Family Living,

Horticulture/Urban Agriculture, and Youth Development and Community Natural Resources and Economic Development sections.

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

**Business-type Activities:**

1) The Airports are an enterprise fund that is classified as a business-type activity in the Government-wide financial statements. The airports provide air transportation services for Milwaukee County and the surrounding region and manage all activities necessary for the efficient, day-to-day operation of General Mitchell International Airport (GMIA) and Lawrence J. Timmerman Field (LJT). Operating expense of both airports is entirely supported by user fees.

- GMIA is a modern air transportation center of 2,386 acres located six miles south of the City of Milwaukee's central downtown. A record number of passengers, 9,848,000, were served in 2010 at GMIA. The total is 1.9 million more than the 7,935,000 passengers in 2009, a 24.1 percent increase. GMIA continues to see record passenger numbers in 2011. Also, GMIA is ranked among the top 30 fastest-growing airports in the world in 2010. The rankings provided by Airports Council International, show that GMIA is the only U.S. airport on this worldwide ranking.

The Air Force Reserve vacated the 440th Air Force Reserve Station, in February 2008 and final conveyance was completed in July 2010 through a Public Benefit Conveyance with the FAA as the County's sponsor. The land is currently being evaluated to determine the optimum use for the parcel.

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

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

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

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

## **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 and County Executive have worked to change benefits over the years. Their work has been focused on changing benefits through contract negotiations, developing less expensive health programs, and working towards a fully funded pension plan. The 2002 benefit changes included the level of payout at retirement for earned sick leave benefits for non-represented positions. Between 2005 and 2007, union labor agreements were negotiated to reduce future cash payouts at retirement for sick leave earned.

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 2010, 2009 and 2008, the County contributed \$ 32.9 million, \$ 457.8 million and \$ 34.8 million, respectively to ERS. The 2010 contribution was above the actuarial recommended contribution. The 2009 contribution was well above the annual required contribution due to a one-time contribution of \$397.8 million and settlement of a lawsuit for \$29.0 million. The 2008 contribution was below the actuarial

recommended contribution, but has since been covered by the payments in 2009. Pension costs are expected to continue to increase.

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. Further reductions were put in place for non-represented employees and certain represented bargaining units in 2010, including a reduction in the pension multiplier for future years of service from 2.0% to 1.6%, and increasing the retirement age for new employees from 60 to 64. Changes in State Statute may allow the County to make further changes for members of bargaining units in 2011.

The County has aggressively moved to control the growth in employee health care costs, plus provide for greater sharing of health costs with employees. 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 and the creation of a separate division to focus on employee benefits. 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 2010. In 2010, the County employed a healthcare actuarial firm to do a complete analysis of claims cost to better understand the County's trend line versus the industry standard.

## **E) FINANCIAL INFORMATION**

### **Internal Accounting Controls**

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

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 1<sup>st</sup> of each year. Subsequent to the receipt of the budget from the County Executive, the County Board's Finance and Audit Committee reviews the County Executive's budget at public meetings. On the Monday following its regularly scheduled meeting on the first Thursday in November, the County Board acts on the amendments and recommendations submitted by the 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 Limits**

- **Property Tax Rate Limit**

Section 59.605 of the Wisconsin Statutes imposes a property tax rate limit on Wisconsin counties, effective August 12, 1993. Separate limits were imposed for operating levy rates and the debt service levy rates. Initially, the baseline for the rate limit was the 1992 actual tax rate adopted for 1993 budget purposes. The County may not exceed these operating levy rates and debt levy rate limits unless one or more specified conditions apply, as described below. The statute establishes specific penalties for failure to meet the limit requirements. Among the penalties for exceeding the limits are reductions in state shared revenues and transportation aids. New levy limits are being established for tax years beginning after July 1, 2011.

- **Operating Budget Levy Rate**

The only conditions under which the maximum rate may be increased are if services are transferred between governmental units (transfers to other governmental units reduce the maximum rate) or if a referendum is approved by a majority of local electors to allow the maximum rate to be increased. The operating property tax levy rate limit is \$4.08 per \$1,000 equalized value. The tax rate for total operating purposes including the Southeastern Wisconsin Regional Planning Commission levy and other administrative levies was \$3.21 per \$1,000 of equalized value. 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 Service Levy Rate**

The conditions under which the debt service rate may be increased include: approval of issuance of debt at a referendum, adoption of a resolution by the County Board which sets forth its “reasonable expectation” that the issuance of the debt, will not cause the County to exceed its debt levy rate limit, actual authorization of the debt prior to the August 12, 1993 effective date of the rate limit, issuance of debt for regional projects as described in Section 67.05(7)(f) of the Wisconsin Statutes, issuance of debt to refund outstanding municipal obligations or adoption of a resolution to issue debt which is approved by a 3/4 vote of the members-elect of the County Board. The debt property tax levy rate limit is \$1.42 per \$1,000 equalized value. In conformance with the conditions outlined above, the County levied a debt levy rate of \$.94 per \$1,000 of equalized value for the 2011 budget.

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

### **Debt Administration**

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.

For 2009 and 2010, these levy limits were exceeded based on a special debt financing program established by the Federal government, known as Build America Bonds. As a result of this program, bond issues will not be issued by the County in 2011, and 2012. During 2010, and 2009, the County issued a total of \$83 million and \$88 million, respectively, in General Obligation Corporate Purpose Bonds and Promissory Notes. The proceeds from the bonds and notes were used for various County capital improvement projects including highways and bridges, park improvements, building improvements, buses and vehicles.

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, 2010, the County had \$ 880 million of general obligation debt, representing 27.5 percent of the \$ 3.2 billion debt limit. The debt limit is based upon equalized value of County property of \$ 63.4 billion.

Approximately 74.7 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 2010, total debt of the County, which includes general purpose and Airport revenue bond obligations, was \$ 1.094 billion. As of December 31, 2010, approximately \$ 244 million or 22.3 percent of the County's outstanding general purpose and revenue debt is for the Airports and Transit. 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  
Aa2

Standard & Poor's  
AA

In September 2003, the County guaranteed \$ 14.4 million of loans for a local corporation. The loans are secured by mortgages and a cash trust of \$ 6 million on certain buildings. In July 2010 Milwaukee County agreed to transfer the credit assistance agreement to a subsidiary of the parent corporation.

In 2010, the County issued almost \$ 32 million of Airport Revenue Bonds to finance ongoing capital improvement projects at General Mitchell International Airport. The County also issued Revenue Refunding Bonds of approximately \$52 million to refinance prior Airport Revenue Bonds issued in 2000.

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

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



In 2009, a work-group made up of administrative, departmental and County Board staff, along with external experts, developed a consensus-based five-year forecasting model, for 2010 through 2014 to better understand the County's financial position. Based on the 2009 current financial position deficits were projected for each of those 5 years. The underlying causes of the deficits are relatively flat or declining revenues while expenditures, particularly employee health care benefits and pensions, continue to increase. The County is required by state statute to pass a balanced budget.

The County continues to use this software to develop five-year forecasts, and to use it as a basis for budgeting. Adjustments were made to the projections for 2010 and 2011 to develop a budget for County Board approval. Some of the adjustments to salaries included abolishment of numerous positions, eliminating vacancies, reducing overtime, consolidation and cross training of duties, privatizing several services and instituting furlough days. Substantial healthcare savings were made due to the County changing their main provider in 2009, and continuing to share the cost of health care with employees. Other significant savings in the pension budget were due to reductions in salaries and a decrease in the County contribution by decreasing pension benefits for non-union employees. The County has also been aggressive in pursuing more efficient options in delivering services.

For the 2010 budget, stimulus funding was used in the place of operating funds to purchase new buses, not originally accounted for in the 2009 forecast.

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

## **F) OTHER INFORMATION**

### **Independent Audit**

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

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

The audit was performed to provide reasonable assurance that the financial statements are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2010 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, 2009. This was the thirty-first 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.

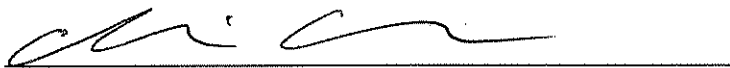
## Acknowledgements

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,



Patrick J. Farley, Director  
Department of Administrative Services



Chris Abele, County Executive

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Milwaukee  
Wisconsin

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

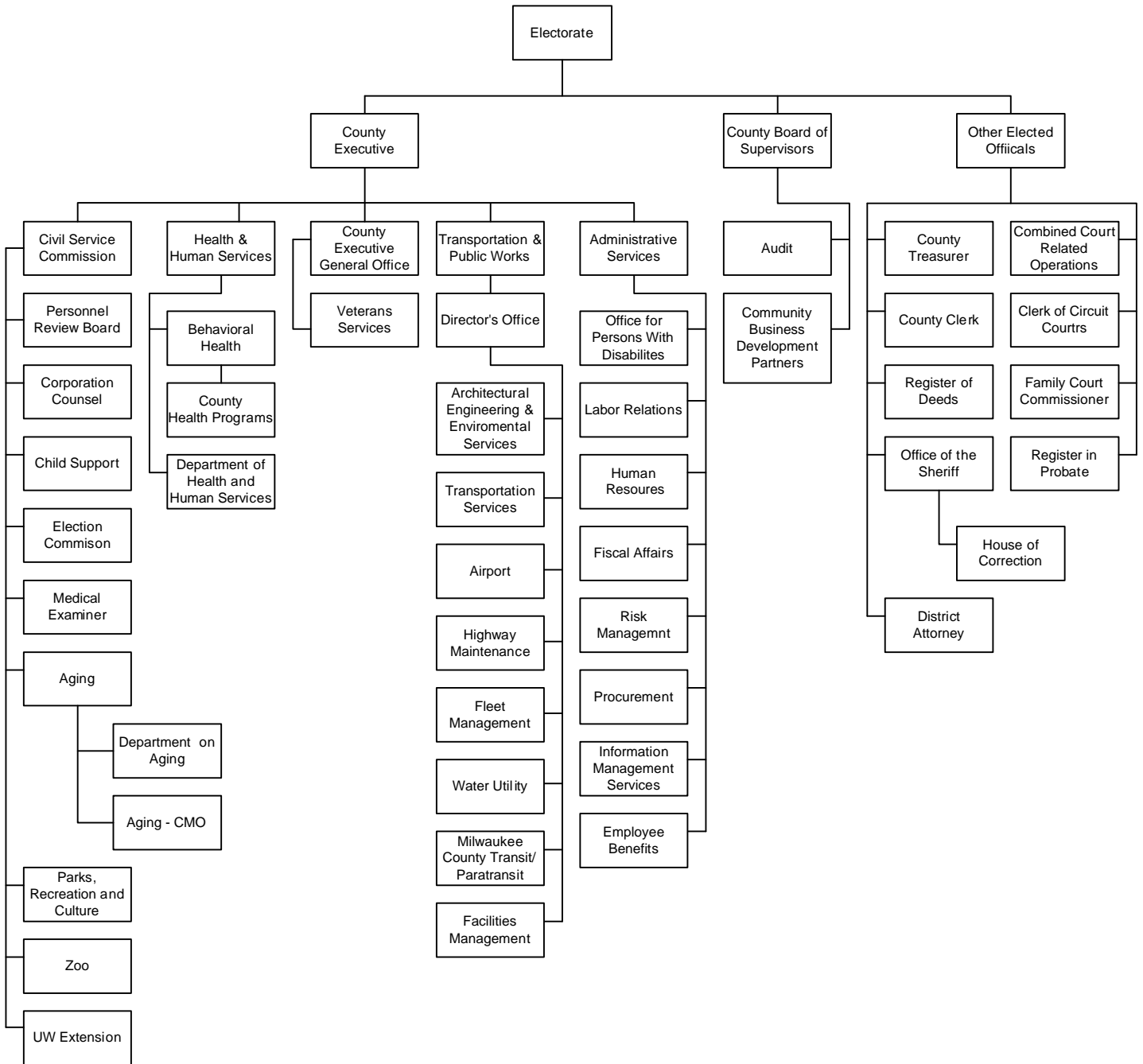
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

# COUNTY OF MILWAUKEE ORGANIZATIONAL CHART 2010



**COUNTY OF MILWAUKEE  
LIST OF PRINCIPAL OFFICIALS  
DECEMBER 31, 2010**

**ELECTED**

County Executive	Scott Walker (until 12/27/10)
Interim County Executive	Lee Holloway (effective 12/28/10)
County Treasurer	Daniel J. Diliberti
District Attorney	John T. Chisholm
County Clerk	Joseph Czarnezki
Clerk of Circuit Court	John Barrett
Sheriff	David A. Clarke Jr.
Register of Deeds	John La Fave

**SUPERVISORS AND THEIR DISTRICT BY NUMBER**

1- Theodore A. Lipscomb	11- Mark A. Borkowski
2- Nikiya Q. Harris	12- Peggy A. West
3- Gerry P. Broderick	13- Willie Johnson, Jr.
4- Marina Dimitrijevic	14- Christopher J. Larson (until 12/27/10)
5- Lee Holloway	15- Lynne 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- James Schmitt
10- Elizabeth M. Coggs (until 12/22/10)	

**APPOINTED**

<b><u>Department</u></b>	<b><u>Title</u></b>	
Human Services	Interim Director	Geri Lyday
Behavioral Health Division	Interim Administrator	Geri Lyday
Circuit Courts	Chief Judge	Jeffrey A. Kremers
Audit	Director	Jerome J. Heer
Labor Relations	Director	Gregory L. Gracz
Human Resources	Interim Director	Candace Richards
Transportation and Public Works	Director	Jack Takerian
Family Court Commissioner	Commissioner	Michael J. Bruch

**COUNTY OF MILWAUKEE  
LIST OF PRINCIPAL OFFICIALS  
DECEMBER 31, 2010**

**APPOINTED Continued**

<b><u>Department</u></b>	<b><u>Title</u></b>	
Medical Examiner	Medical Examiner	Brian L. Peterson, MD
Parks, Recreation, and Culture	Director	Susan Black
Register in Probate	Register in Probate	John Barrett
Zoological Department	Director	Charles Wikenhauser
Aging	Director	Stephanie Sue Stein
Family Care	Interim Director	Maria Ledger
Administration	Director	Cynthia Archer (until 12/9/10)
Corporation Counsel	Acting Corporation Counsel	Timothy Schoewe

## **FINANCIAL SECTION**

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



## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Milwaukee, Wisconsin, as of and for the year ended December 31, 2010, 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, 90 percent and 45 percent, respectively, of the assets, net assets and the operating revenues of the discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Milwaukee County War Memorial Center, Inc., the Marcus Center for the Performing Arts, and the Milwaukee County Research Park Corporation, is based on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to 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, 2010, 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

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

The management's discussion and analysis, the schedules of funding progress and the schedules of employer contributions as listed in 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 2010 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 for the year ended December 31, 2010 taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the County of Milwaukee's basic financial statements for the year ended December 31, 2009, which are not presented with the accompanying financial statements. In our report dated July 6, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. In our opinion, the 2009 data included in the other supplementary information is fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2009, taken as a whole.

The "Introductory Section" and "Statistical Section" 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 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 28, 2011

## **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, 2010. 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 \$ 375,002 on a government-wide basis as of December 31, 2010. The unrestricted net assets of the County were a negative \$ (183,456).
- For the fiscal year, program and general revenues of the County's governmental activities totaled \$ 1,098,437. Expenses totaled \$ 1,091,296 including operating transfers out of \$ 14,260.
- For 2010, revenues of the County's business-type activities were \$ 290,674 including operating transfers in of \$ 14,260. Expenses totaled \$ 257,652.

#### **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, 2010, the County's governmental funds reported combined ending fund balances of \$ 194,085, as compared to \$ 154,160 for the year ended December 31, 2009.
- As of December 31, 2010, unreserved fund balance for the General Fund was \$ 6,853 or 0.7% of total General Fund expenditures. At the end of the 2009 fiscal year the unreserved fund balance of the General Fund was \$ 4,007.

# FINANCIAL HIGHLIGHTS (CONTINUED)

## Highlights for Fund Financial Statements (Continued)

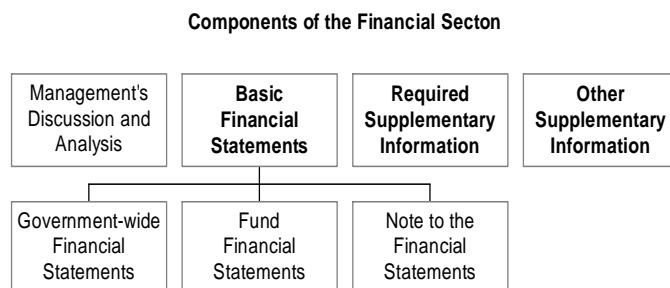
- The County's enterprise funds had combined net assets of \$ 236,234 as of December 31, 2010, compared to \$ 203,212 as of December 31, 2009.

## General Financial Highlights

- In May 2010, the County issued \$ 22,725 and \$12,325 of Taxable General Obligation Corporate Purpose Bonds. All proceeds of these two debt issues will be used to finance essential public purpose capital projects.
- In October 2010, the County issued \$ 31,570 of Airport Revenue Bonds and \$51,590 of Airport Revenue Refunding Bonds to finance various capital needs.
- In December 2010, the County issued \$ 38,165 of Taxable General Obligation Corporate Purpose Bonds and \$9,770 of General Obligation Promissory Notes. All proceeds of these two debt issues will be used to finance essential public purpose capital projects.

## 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

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

statements and schedules to provide details about the governmental, internal service, and fiduciary funds.

### Government-wide Financial Statements

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

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

The second statement, **the statement of activities**, presents information showing how the County's net assets changed during 2010. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for not only current uses of cash flow but also for items that will result in cash flows in a future fiscal period (e.g. uncollected taxes and earned but unused vacation leave).

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

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

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

The government-wide financial statements can be found on pages 56-58 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 ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, and the capital projects fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in other supplementary financial information. These non-major governmental funds are all special revenue funds of the County.

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

The governmental fund financial statements can be found on pages 59-63 of this report.

# OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

## Fund Financial Statements (Continued)

### Proprietary funds

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

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

The proprietary fund financial statements can be found on pages 64-66 of this report.

### Fiduciary funds

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

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

The fiduciary fund financial statements can be found on pages 67-68 of this report.

# OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

## **Notes to the Financial Statements**

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

The notes can be found on pages 72-161 of this report.

## **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's 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 163-168 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 171-185 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.

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 \$ 375,002 at the close of the fiscal year. The County's net assets increased for this fiscal year by \$ 40,163.

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# GOVERNMENT- WIDE FINANCIAL ANALYSIS (CONTINUED)

## County of Milwaukee, Wisconsin

### Net Assets

(In Thousands)

	Governmental Activities		Business-type Activities		Primary Government Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 738,142	\$ 572,053	\$ 141,443	\$ 103,377	\$ 879,585	\$ 675,430
Long-Term Assets	411,587	403,937	-	10	411,587	403,947
Capital Assets	641,375	631,086	402,987	365,470	1,044,362	996,556
Total Assets	1,791,104	1,607,076	544,430	468,857	2,335,534	2,075,933
Current Liabilities	618,159	490,378	55,227	46,626	673,386	537,004
Long-term Liabilities	1,034,177	985,071	252,969	219,019	1,287,146	1,204,090
Total Liabilities	1,652,336	1,475,449	308,196	265,645	1,960,532	1,741,094
Net Assets:						
Invested in Capital Assets, Net of						
Related Debt	269,272	198,007	206,417	178,590	475,689	376,597
Restricted	62,876	55,797	19,893	19,366	82,769	75,163
Unrestricted	(193,380)	(122,177)	9,924	5,256	(183,456)	(116,921)
Total Net Assets	\$ 138,768	\$ 131,627	\$ 236,234	\$ 203,212	\$ 375,002	\$ 334,839

The largest portion of the County's net assets reflects its investment in capital assets (e.g. land, land improvements, buildings, vehicles, equipment and infrastructure, net of depreciation and amortization), plus any unspent capital bond funds less the outstanding debt that was used to acquire those assets. For 2010, the balance of capital assets net of related debt was \$ 475,689. 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 2010 totaled \$ 82,769. This amount is subject to external restrictions, some of which include grant-related restrictions, debt service, airport passenger facility charges (PFC) revenue and the airports capital projects. The airport PFC revenue is restricted for airport bond repayment and future airport capital needs.

## GOVERNMENT- WIDE FINANCIAL ANALYSIS (CONTINUED)

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 \$ (183,456). The unrestricted net assets decreased by \$ 66,535 in 2010. The decrease reflects Other Post Employment Benefit expense, and the reclassification of cash from unspent bond proceeds being classified into Net Assets Invested in Capital Assets.

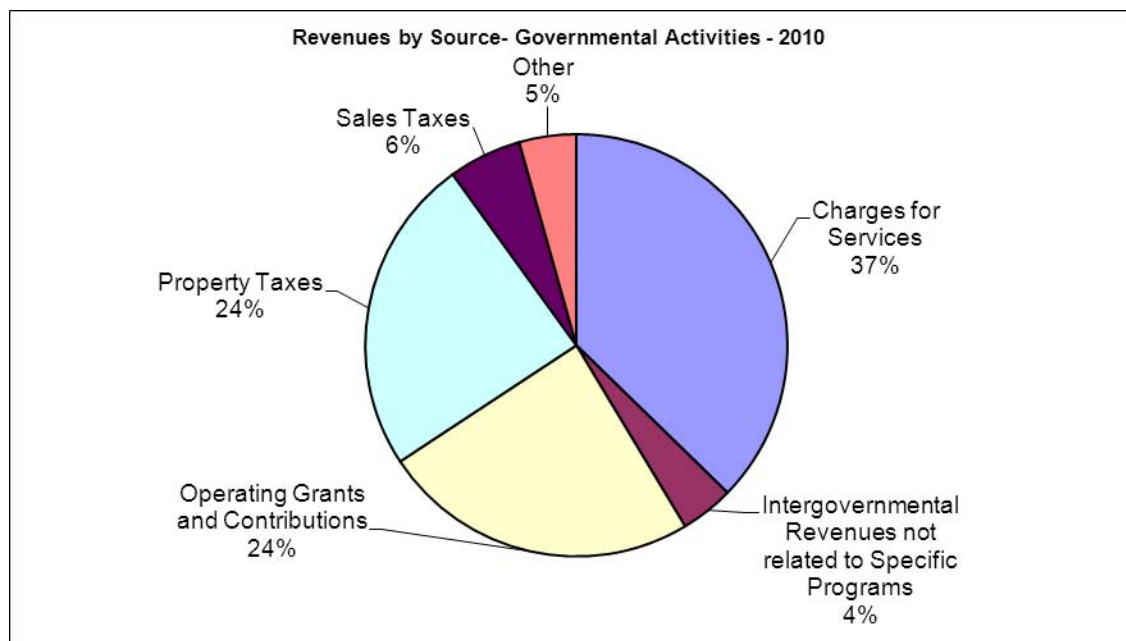
### Statement of Activities

The following table provides the summary of the changes in net assets for the primary government for the fiscal years ended December 31, 2010 and 2009:

County of Milwaukee, Wisconsin Summary of Changes in Net Assets (In Thousands)						
	Governmental Activities		Business-type Activities		Primary Government Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 409,662	\$ 372,086	\$ 137,268	\$ 126,421	\$ 546,930	\$ 498,507
Operating Grants and Contributions	267,341	319,328	89,495	90,110	356,836	409,438
Capital Grants and Contributions	160	32,712	49,489	17,583	49,649	50,295
General Revenues:						
Property Taxes	266,973	260,724	-	-	266,973	260,724
Sales Taxes	61,534	59,258	-	-	61,534	59,258
Intergovernmental Revenues not Related to Specific Programs	44,952	46,056	-	-	44,952	46,056
Investment Income and Rents	4,476	7,120	162	945	4,638	8,065
Proceeds from Settlement of Lawsuit	-	29,000	-	-	-	29,000
Other Revenue	43,339	27,090	-	-	43,339	27,090
<b>Total Revenues</b>	<b>1,098,437</b>	<b>1,153,374</b>	<b>276,414</b>	<b>235,059</b>	<b>1,374,851</b>	<b>1,388,433</b>
<b>Expenses:</b>						
Legislative, Executive, and Staff	51,340	52,144	-	-	51,340	52,144
Courts and Judiciary	57,121	63,839	-	-	57,121	63,839
General Governmental Services	4,077	7,991	-	-	4,077	7,991
Public Safety	164,447	148,192	-	-	164,447	148,192
Public Works and Highways	66,641	93,756	-	-	66,641	93,756
Human Services	616,717	648,296	-	-	616,717	648,296
Parks, Recreation, and Culture	77,221	83,520	-	-	77,221	83,520
Interest	39,472	35,361	-	-	39,472	35,361
Airport	-	-	82,692	74,305	82,692	74,305
Transit	-	-	174,960	178,208	174,960	178,208
<b>Total Expenses</b>	<b>1,077,036</b>	<b>1,133,099</b>	<b>257,652</b>	<b>252,513</b>	<b>1,334,688</b>	<b>1,385,612</b>
<b>Change in Net Assets Before Transfers</b>	<b>21,401</b>	<b>20,275</b>	<b>18,762</b>	<b>(17,454)</b>	<b>40,163</b>	<b>2,821</b>
Transfers	(14,260)	(21,521)	14,260	21,521	-	-
<b>Change in Net Assets</b>	<b>7,141</b>	<b>(1,246)</b>	<b>33,022</b>	<b>4,067</b>	<b>40,163</b>	<b>2,821</b>
<b>Net Assets- Beginning of the Year</b>	<b>131,627</b>	<b>132,873</b>	<b>203,212</b>	<b>199,145</b>	<b>334,839</b>	<b>332,018</b>
<b>Net Assets- End of the Year</b>	<b>\$ 138,768</b>	<b>\$ 131,627</b>	<b>\$ 236,234</b>	<b>\$ 203,212</b>	<b>\$ 375,002</b>	<b>\$ 334,839</b>

# GOVERNMENT- WIDE FINANCIAL ANALYSIS (CONTINUED)

## Governmental Activities



## 2010 Actual Revenues compared to 2009 Actual Revenues

Revenues for the County's governmental activities were \$ 1,098,437 for the fiscal year 2010, representing a decrease of \$ 54,937, or 4.8%, from fiscal year 2009. Sources of revenue for 2010 as a percentage of total revenues are shown above.

Charges for services constitute the largest source of County revenues, amounting to \$ 409,662 for fiscal year 2010, an increase of \$ 37,576 from 2009. Charges for services represent collections from those who directly benefit from County services. The net increase in 2010 was mainly due to an increase in Milwaukee County Family Care's revenues including additional members served and higher capitation rates for nursing home level of care from 2009 rates. Milwaukee County Family Care began serving disabled clients in 2010, in addition to elderly clients.

Operating grants and contributions continue to support a significant portion of County services with \$ 267,341 of revenue in 2010. Operating grants and contributions generally represent federal and state grants revenue with the majority supporting health and human service programs. The net decrease in operating grants and contributions of \$ 51,987, was mainly due to:

- Grants administered by Milwaukee County Department of Health and Human Services (DHHS) in 2009, were taken over by the State of Wisconsin in 2010.
- Net decreases in Federal and State grants awarded to DHHS for 2010, including the transfer of disability service programs to Milwaukee County Family Care: a service charge based program.

# GOVERNMENT- WIDE FINANCIAL ANALYSIS (CONTINUED)

## 2010 Actual Revenues compared to 2009 Actual Revenues (Continued)

The net decrease in capital grants and contributions in 2010 was mainly due to the transfer of State funded highway grant programs back to the State for administration and oversight. Previously, the County acted as the administrator, and also reported the grant funding and expenditures for highway improvements.

Property tax revenue increased by \$ 6,249 over the prior year, however property tax revenue as a percent of total governmental activity revenues only increased by 1.0% from the prior year. Caps on increases in levy rates have limited the increase each year

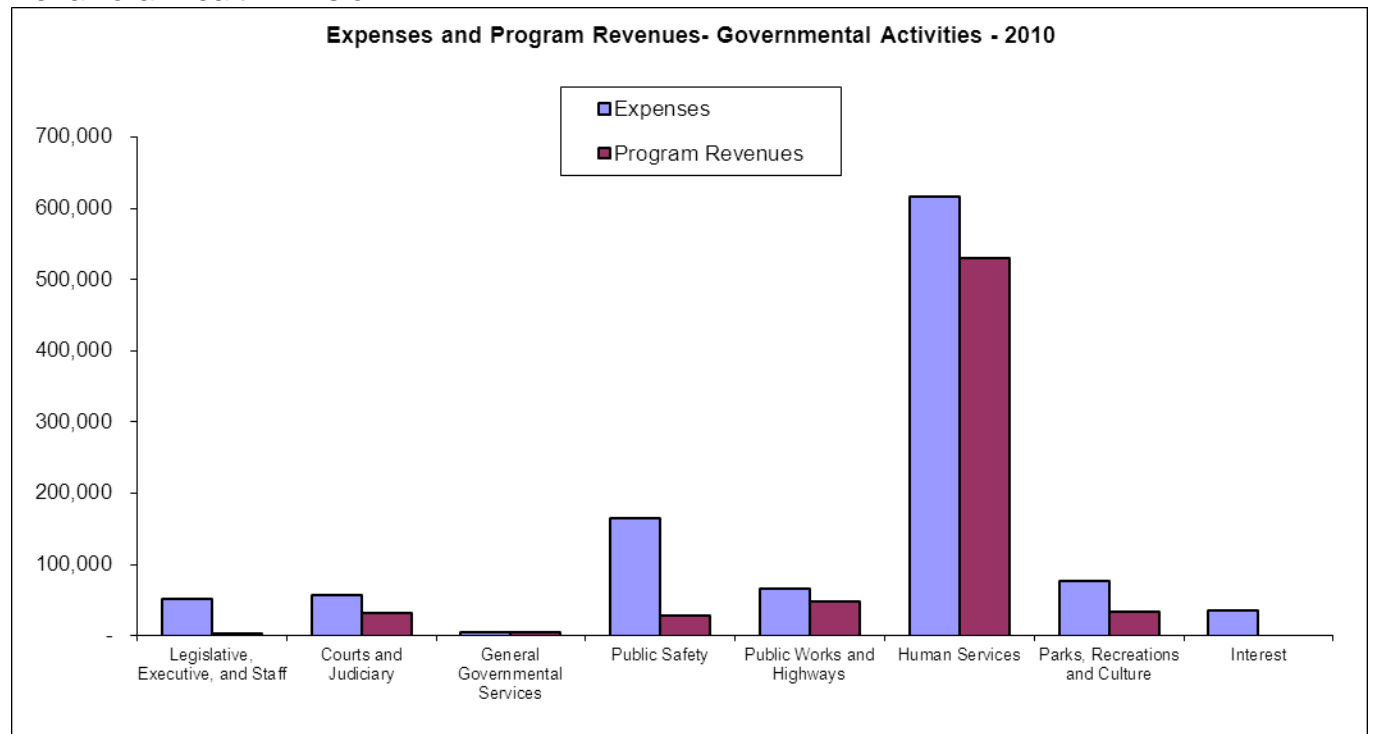
Sales tax revenue increased by \$ 2,276 as a result of a limited increase in consumer spending in the latter part of 2010.

Intergovernmental revenues not related to specific programs decreased by \$ 1,104 from the prior year.

Investment income and rents decreased by \$ 2,644 which was mainly due to lower rates of return on investments in 2010 versus 2009.

Proceeds from the settlement of lawsuit decreased by \$ 29,000 since the full settlement was paid out in 2009.

Other revenue increased by \$ 16,249 from other service revenue for the County Behavioral Health Division.



# GOVERNMENT- WIDE FINANCIAL ANALYSIS (CONTINUED)

## 2010 Actual Expenses compared to 2009 Actual Expenses

Total expenses for all of the County's governmental activities for the fiscal year 2010 were \$ 1,077,036 representing a decrease of \$ 56,063 or 4.9% from 2009. Total expenses compared to the respective program revenues in departments are shown above.

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

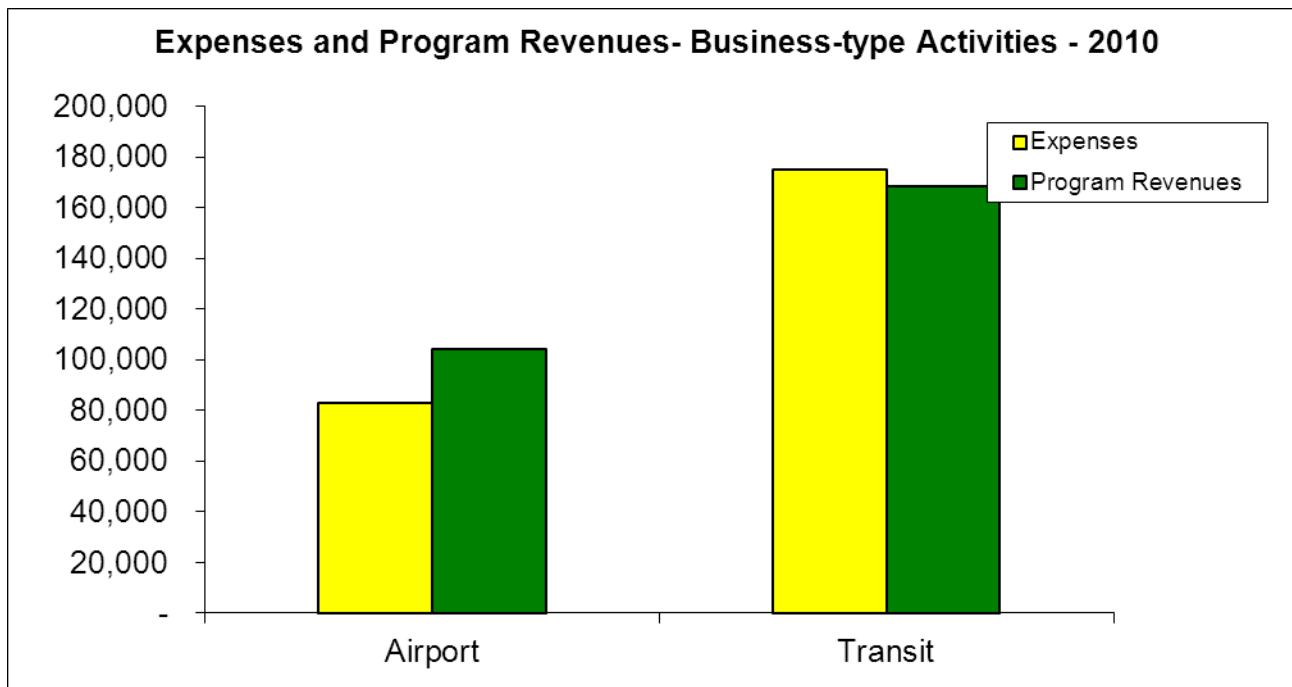
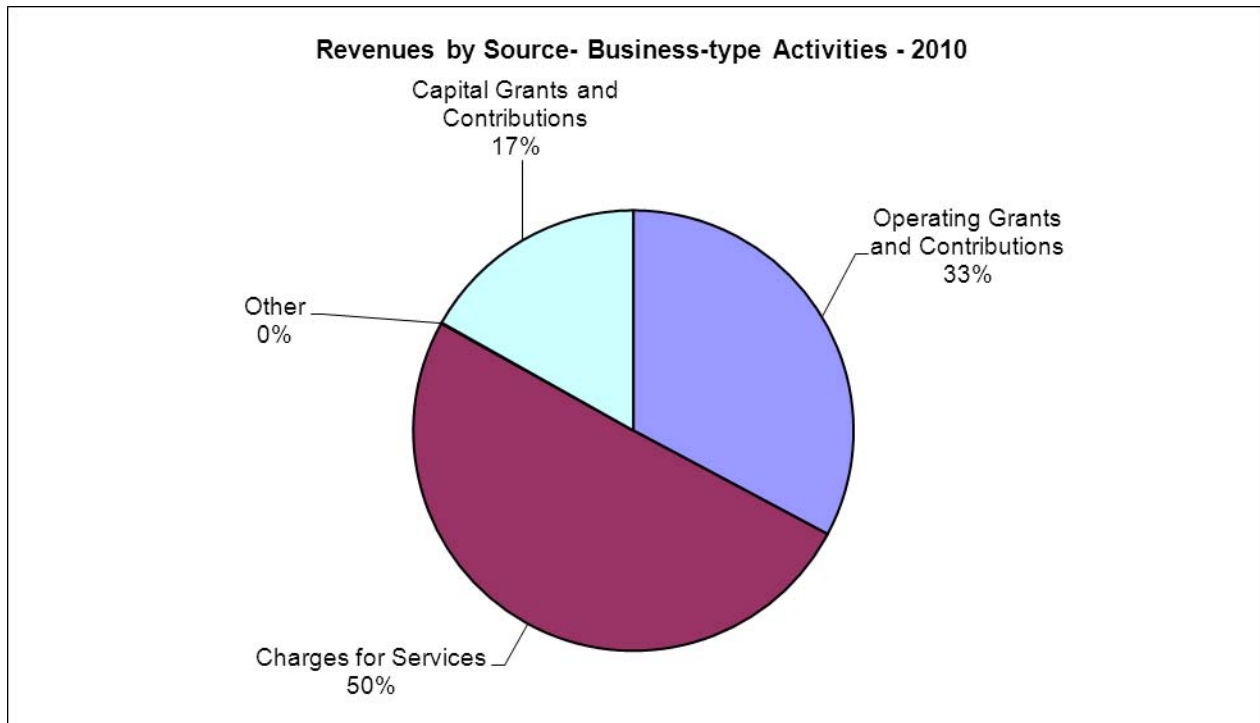
Current economic conditions have required the County to implement additional cost savings measures compared to 2009. The following are some of the measures taken in 2010 to control costs:

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

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# GOVERNMENT- WIDE FINANCIAL ANALYSIS (CONTINUED)

## Business- type activities



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

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

In 2010, the Airports revenue from fees charged to airlines for use of the airport, including fees received from ancillary services of the airports, exceeded its annual operating costs by \$ 7,151. This net revenue surplus was a direct result of Charges for Services revenue from the Airport increasing by \$ 8,648, or 12.2% from the prior year. Growth in new air carriers at the airport provided increased passengers usage of the airport: a 24.1% increase in 2010 over 2009 passengers. Operating transfers are negligible for the Airports.

The Transit System requires operating assistance from the State, Federal and County government to balance its revenues and expenses. Total County operating support, reflected as operating transfers, for the Transit System was \$ 22,625 for fiscal year 2010. Total state and federal grants for the Transit System were \$ 89,186 for 2010, which was a decrease of \$ 745 or 0.8% over 2009. Direct support from users of the Transit System was \$ 52,097 (30.0% of total operating expenses) for 2010, which was a decrease of \$ 200 from 2009. The operator of the Transit System has also instituted cost savings measures to reduce operating costs. The Transit System has recently purchased more fuel efficient buses to reduce fuel and maintenance costs. Limiting the number of bus routes has also occurred.

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

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

### **Governmental funds**

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

As of December 31, 2010, the County's governmental funds reported combined ending fund balances of \$ 194,085. Unreserved fund balance of \$ 6,853 represents 3.5% of the total general 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 \$ 4,144 for 2011 appropriations, \$ 8 for 2012 appropriations, \$ 7,332 for debt service, \$ 103,308 for encumbrances, \$ 12,182 for Milwaukee County Family Care, \$ 2,070 for inventories, \$ 8,360 for the Behavioral Health Division, \$ 6,183 for the Fleet and Facilities Divisions, \$14,826 for delinquent property taxes, and \$ 28,819 for endowments, bequests, restricted donations, and restricted user fees.

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

Restricted user fees are the 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, 2010, unreserved fund balance of the general fund was \$ 6,853 while total fund balance was \$ 45,175. 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 0.7% of total fund expenditures, while total fund balance represents 4.7% of that same amount.

The debt service fund has a total fund balance of \$ 7,332 all of which is reserved for the payment of debt service. The net increase in the debt service reserve for the current year was \$ 1,112.

The capital projects fund has a total fund balance of \$ 98,216 all of which is reserved for commitments made on capital projects in progress. The net increase in fund balance during the current year in the capital projects fund was \$ 33,748. The increase in fund balance is directly related to the issuance of two general obligation bond issues, and the associated reserve of those funds for completion of the projects designated and approved by the County Board.

### **Proprietary funds**

At the end of 2010, unrestricted net assets of the two major funds, the Airports and the Transit System, totaled \$ 9,924. Total net assets of these same two major funds were \$ 236,234 at the end of 2010, compared to \$ 203,212 at the end of 2009. The total net assets for the Airports increased by \$ 16,704 while total net assets for the Transit System increased by \$ 16,318. Restricted net assets of the Airport are required under debt covenants associated with revenue bonds issued for capital improvements.

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# GENERAL FUND BUDGETARY HIGHLIGHTS

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Net Assets - Budgetary Basis**  
**For the Year Ending December 31, 2010**  
**(In Thousands)**

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b><u>Revenues and Other Sources</u></b>				
Intergovernmental Revenue	\$ 294,426	\$ 320,273	\$ 306,875	\$ (13,398)
Taxes	331,410	331,410	328,087	(3,323)
Charges for Services	405,683	381,341	377,987	(3,354)
Other	56,009	53,175	41,412	(11,763)
<b>Total</b>	<b>\$ 1,087,528</b>	<b>\$ 1,086,199</b>	<b>\$ 1,054,361</b>	<b>\$ (31,838)</b>
<b><u>Expenditures and Other Uses</u></b>				
Expenditures	\$ 999,972	\$ 1,006,103	\$ 975,218	\$ 30,885
Transfers	87,556	80,096	87,120	(7,024)
<b>Total</b>	<b>\$ 1,087,528</b>	<b>\$ 1,086,199</b>	<b>\$ 1,062,338</b>	<b>\$ 23,861</b>
<b>Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (7,977)</b>	<b>\$ (7,977)</b>

As shown above, expenditures and other financing uses exceeded revenues and other financing sources by \$ 7,977 in the General Fund for the year ended December 31, 2010. This table is based on a budgetary basis presentation. The budgetary basis of actual revenues and expenditures presented above differs from the combined statement of revenues, expenditures, and changes in net assets due to the inclusion of encumbrances of \$ 9,247 in expenditures offset by the inclusion of the contribution from reserves for 2010 appropriations of \$4,144.

## **2010 Actual Revenues compared to 2010 Final Budget**

Actual General Fund revenues were below the budgeted revenues by \$ 31,838, or 2.9%, during fiscal year 2010.

Intergovernmental revenues were \$ 13,398, or 4.2%, below the final budget amount for 2010. An associated reduction in grant expenditures occurred. Intergovernmental revenues and expenditures were reduced primarily due to:

- Grants funded to Milwaukee County Department of Health and Human Services (DHHS) in 2009 taken over by the State of Wisconsin in 2010.
- Net decreases in Federal and State grants awarded to DHHS for 2010.

Taxes (property and sales) were \$ 3,323, or 1.0%, below budget for 2010 due to a shortfall in projected sales tax collections of \$ 4,248. Sales tax collections were lower than anticipated due to decreased consumer spending from original projections.

# GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

## 2010 Actual Revenues compared to 2010 Final Budget (Continued)

Charges for services were \$ 3,354 or 0.8%, below budget for 2010. Primarily due to:

- Less charges to the state due to lower inmate populations
- Less charges due to unfilled revenue earning positions
- Less highway maintenance charges to the state due to milder winter season.

## 2010 Actual Expenditures compared to 2010 Final Budget

General Fund expenditures, net of transfers, were \$ 23,861, or 2.20%, below the final budgeted amount. Some of the reasons for the decrease are listed below:

- Reductions in and transfer out of grant programs led to decreased grant revenues and grant expenditures
- Implementation of furlough days and holding positions vacant in order to achieve cost savings to balance the budget.
- Department review of outside services and suppliers to achieve more cost effective pricing
- Less costs incurred to maintain roads and highways due to a milder winter season

## Budget Transfers

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

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

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# GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)

## Budget Transfers (Continued)

The difference between original budget revenue of \$ 1,087,528 and final budget revenue of \$ 1,086,199 is a decrease \$ 1,329. The difference between original budget expenses of \$ 999,972 and final budget expenditures of \$ 1,006,103 is an increase of \$ 6,131. The major budget transfers of \$1,000 or greater during 2010 are listed below:

- Courts and Judiciary
  - ❖ An increase of \$1,000 to revenue and expenditures to the Department of Child Enforcement from the American Recovery and Reinvestment Act (ARRA) funding for child support activities.
- Public Safety
  - ❖ An increase of \$2,397 to revenue and expenditures for work completed by Honeywell for improvements at the Criminal Justice Facility and the Courthouse.
- Public Works and Highways
  - ❖ An increase of \$1,790 to revenue and expenditures to fund additional airfield and operational improvements at General Mitchell International Airport (GMIA).
- Health and Human Services
  - ❖ An increase of \$7,044 to revenue and expenditures to the Department of Health and Human Services (DHHS) for Income Maintenance and Child Care Programs due to delay in finalizing the 2010 contracts with the State of Wisconsin.
  - ❖ An increase of \$1,900 to revenue and expenditures to the DHHS related to the Medical Assistance Transportation Program in the Economic Support Division.
  - ❖ An increase of \$1,051 to revenue and expenditures to the DHHS for additional 200 client slots for the Behavioral Health Division Wraparound program funded by the State of Wisconsin.
  - ❖ An increase of \$1,445 to revenue and expenditures to the DHHS due to State of Wisconsin Medicaid adjustments.

# GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)

## Budget Transfers (Continued)

- ❖ An increase of \$1,200 to revenue and expenditures to DHHS for the Medical Assistance Transportation Program in the Economic Support Division.
  - ❖ An increase of \$7,781 to revenue and expenditures to the Department of Aging serving as a Care Management Organization (CMO) under Family Care. The 2010 Adopted Budget for the CMO was based on the 2009 capitation rates.
  
  - ❖ A decrease of \$6,011 to revenue and expenditures to the Department of Aging serving as a CMO under Family Care. The reduction is services in due to multiple CMO's offering the Family Care benefit within Milwaukee County.
- County-Wide Non-Departmental
    - ❖ An increase of \$2,225 to revenue for Froedtert Memorial Lutheran Hospital land lease payment for the former Doyne Hospital. Expenditures increase of \$50 was used to fund costs associated with Doyne Hospital Medicare hearing. The balance of \$2,175 was set aside to increase the county wide contingency reserve account for the potential post retirement health costs for former Doyne employees.
    - ❖ An increase of \$1,182 to revenue and expenditures from Information Management Services Division (IMSD) due to a redistribution of property tax levy to the County user departments of information technology (IT) services.
    - ❖ An increase of \$ 14,821 in capitation reimbursement revenue from the State to the Department of Aging for providing Care Management Organization (CMO) services under the Family Care program.
    - ❖ A decrease of \$31,122 to adjust the Department of Health and Human Services (DHHS) budget resulting from a delay in implementation of the Family Care program. The decrease was offset by an increase of \$ 2,942 due to various cost saving measures.
    - ❖ Recognition of \$ 1,550 American Recovery and Reinvestment Act of 2009 grant funds for various Sheriff programs.
    - ❖ An increase of \$ 11,166 in revenue from the State for funding additional cases receiving Long Term Support services from DHHS.
    - ❖ An increase of \$ 1,109 in non-departmental revenue due to an unrestricted private donation.

## GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)

### Budget Transfers (Continued)

- ❖ A decrease of \$ 52,134 in State revenue due to a delay in expanding the Department of Aging Family Care program for providing CMO services.
- ❖ An increase of \$ 7,125 in revenue from the Debt Service Reserve. Of this, \$ 6,000 from revenue recognized in 2008 for 2009 and \$1,125 from a private donation in 2008 for 2009.
- ❖ An increase of \$ 5,220 in Medicaid revenue for increased DHHS clients due to the success of the Reach program.
- ❖ A decrease in revenue of \$ 5,000 from the realignment of revenue and expenses due to an additional delay in changes related to the Family Care program.

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 \$ 63,745 and amended budget of \$ 92,318). The net contribution actually made by the General Fund to other funds was \$ 108,070. The General Fund collects all of the property tax and sales tax revenues of the County, which was \$ 328,087 for 2010. The General Fund also collected intergovernmental revenues not related to a specific program of \$ 73,819. 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, 2010 was \$ 1,044,362 (net of accumulated depreciation of \$ 1,068,087). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, machinery, vehicles and equipment, and infrastructure and leased equipment. All infrastructure assets of the County are included in this report. The County's total investment in capital assets for the current fiscal year increased by 4.8% (a 1.6% increase in governmental activities and a 10.3% increase for business-type activities).

# CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

## Capital Assets (Continued)

Major capital asset appropriated in 2010 included the following:

- \$11,695 for street and highway improvements, including West Mill Road, West College Avenue, West Layton Avenue, South 13<sup>th</sup> Street, North Port Washington Road and South 76<sup>th</sup> Street.
- \$13,203 for Transit for replacement of 35 buses.
- \$7,000 for Transit for fare box and data collection systems renovation.
- \$17,478 for General Mitchell International Airport (GMIA) Phase II of the residential sound insulation program.
- \$37,537 for GMIA runway safety area improvements.
- \$6,000 for GMIA repaving of selected runways.
- \$13,272 for GMIA for a snow equipment storage building.
- \$8,030 for Parks, Recreation and Culture for a new aquatic center at Hoyt Park.
- \$12,596 for Health and Human Services for renovations at the Behavioral Health Facility.
- \$14,449 for Fleet vehicles and equipment for replacement of vehicles and equipment passed its useful life.

### Milwaukee County's Capital Assets

(Net)

(In Thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Land	\$ 59,303	\$ 59,303	\$ 21,367	\$ 21,367	\$ 80,670	\$ 80,670
Construction in Progress	41,365	19,246	21,069	25,012	62,434	44,258
Land Improvements	102,890	106,761	74,131	74,299	177,021	181,060
Building and Improvements	279,518	288,461	217,235	202,677	496,753	491,138
Infrastructure	91,562	95,471	-	-	91,562	95,471
Machinery, Vehicles & Equipment	66,737	61,844	69,185	42,115	135,922	103,959
<b>Total</b>	<b>\$ 641,375</b>	<b>\$ 631,086</b>	<b>\$ 402,987</b>	<b>\$ 365,470</b>	<b>\$ 1,044,362</b>	<b>\$ 996,556</b>

Additional information on the County's capital assets can be found in Note 5 on pages 112-118 of this report.

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# CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

## Long-term debt

At December 31, 2010, the County had total debt outstanding of \$ 1,093,767. Of this amount, \$ 885,179 comprised of general obligation bonds and \$ 208,588 of airport revenue bonds.

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ 849,805	\$ 836,667	\$ 35,374	\$ 29,880	\$ 885,179	\$ 866,547
Revenue Bonds	-	-	208,588	183,630	208,588	183,630
<b>Totals</b>	<b>\$ 849,805</b>	<b>\$ 836,667</b>	<b>\$ 243,962</b>	<b>\$ 213,510</b>	<b>\$ 1,093,767</b>	<b>\$ 1,050,177</b>

The County's total debt increased by \$ 43,590 during the year ended December 31, 2010.

New general obligation bonds were issued in May 2010 and December 2010 for \$ 82,985 to finance the following capital projects: Legislative, Executive and Staff \$ 2,680, Public Safety \$ 934, Public Works and Highways \$ 29,211, Health and Human Services \$ 15,823, Parks, Recreation and Culture \$ 27,214, Other Capital Projects \$ 6,185 and Debt Service \$938.

Additional information on the County's long-term debt can be found in Note 8 on pages 121-132 of this report.

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

- Milwaukee County annualized unemployment rate for 2010 remained the same as 2009 rate at 9.6%. The unemployment rate as of the end of May 2011 dropped to 8.9%, compared to the average for 2010 of 9.6%.
- Equalized value of taxable property decreased by 5% from \$ 66.8 billion in 2009 to \$ 63.4 billion in 2010.
- The median price for homes sold in Milwaukee County for in 2010 was \$ 125 thousand compared to \$ 129 thousand in 2009. The annual median price for homes sold in Milwaukee County through May 2011 was \$ 101 thousand, a decline of 19.2% in 2011. The homebuyer's tax credit expired in September 2010, which accounts for some of the declines in 2011. Data as reported by the Wisconsin Realtors Association, Housing Statistics Report.

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

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

- The State of Wisconsin is in the process of finalizing the state budget for 2011 and forward, which may impact the approved operating budget for Milwaukee County for 2011.

During the 2010 fiscal year, the County had a net excess of revenues over expenditures of \$ 8 after considering net revenue from operations and changes in reserve balances. This excess is identified on the governmental funds balance sheet as a Reserved for 2012 Appropriations, and will be added to the revenue of the 2012 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 9<sup>th</sup> Street, Room 308, Milwaukee, WI 53233.



## **BASIC FINANCIAL STATEMENTS**

COUNTY OF MILWAUKEE  
Statement of Net Assets  
December 31, 2010  
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 317,799	\$ 54,409	\$ 372,208	\$ 8,653
Cash and Investments -- Restricted	38,353	50,026	88,379	-
Receivables:				
Accounts (Net of Allowances for Doubtful Accounts)	25,899	3,413	29,312	1,063
Property Taxes:				
Current Levy	270,386	-	270,386	-
Delinquent	12,594	-	12,594	-
Accrued Interest and Dividends	8,233	-	8,233	1
Notes	950	-	950	-
Other	12,416	2,340	14,756	-
Due From Other Governments	44,296	24,797	69,093	-
Inventories	2,070	3,364	5,434	33
Prepaid Items	5,146	3,094	8,240	253
Total Current Assets	<u>738,142</u>	<u>141,443</u>	<u>879,585</u>	<u>10,003</u>
Noncurrent Assets:				
Long-term Investments	-	-	-	7,207
Receivables:				
Contributions	-	-	-	720
Delinquent Property Taxes	7,198	-	7,198	-
Deferred Charges	60	-	60	-
Net Pension Asset	404,329	-	404,329	-
Other Assets	-	-	-	652
Capital Assets (Net)				
Land	59,303	21,367	80,670	-
Construction in Progress	41,365	21,069	62,434	57
Land Improvements	239,780	176,546	416,326	-
Buildings and Improvements	656,053	373,243	1,029,296	41,382
Infrastructure	164,262	-	164,262	-
Machinery, Vehicles and Equipment	164,542	194,919	359,461	12,276
Less: Accumulated Depreciation	(683,930)	(384,157)	(1,068,087)	(24,871)
Total Capital Assets (Net)	<u>641,375</u>	<u>402,987</u>	<u>1,044,362</u>	<u>28,844</u>
Total Noncurrent Assets	<u>1,052,962</u>	<u>402,987</u>	<u>1,455,949</u>	<u>37,423</u>
Total Assets	<u>\$ 1,791,104</u>	<u>\$ 544,430</u>	<u>\$ 2,335,534</u>	<u>\$ 47,426</u>

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

COUNTY OF MILWAUKEE  
Statement of Net Assets  
December 31, 2010  
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 65,964	\$ 7,146	\$ 73,110	\$ 653
Accrued Liabilities	40,112	6,222	46,334	922
Accrued Interest Payable	8,140	1,703	9,843	55
Accrued Pension Payable	39,821	-	39,821	-
Due to Other Governments	1,820	-	1,820	-
Unearned Revenues	366,198	14,082	380,280	2,591
Bonds and Notes Payable - General Obligation	58,524	2,797	61,321	391
Bonds and Notes Payable - Revenue	-	8,210	8,210	-
Unfunded Claims and Judgments	1,000	-	1,000	-
Landfill Postclosure Costs	130	-	130	-
Pollution Remediation Costs	308	-	308	-
Compensated Absences Payable	25,073	5,979	31,052	-
Risk Claims	9,830	5,484	15,314	-
Capital Leases	919	180	1,099	30
Other Current Liabilities	320	3,424	3,744	58
Accrued Pension and Postretirement Benefits	-	-	-	112
Total Current Liabilities	<u>618,159</u>	<u>55,227</u>	<u>673,386</u>	<u>4,812</u>
Noncurrent Liabilities:				
Bonds and Notes Payable - General Obligation	791,281	32,577	823,858	16,302
Bonds and Notes Payable - Revenue	-	200,378	200,378	-
Unfunded Claims and Judgments	1,000	-	1,000	-
Landfill Postclosure Costs	3,250	-	3,250	-
Pollution Remediation Costs	180	-	180	-
Compensated Absences Payable	27,200	5,528	32,728	-
Risk Claims	4,247	6,216	10,463	-
Other Post Employment Benefits	203,164	8,060	211,224	-
Capital Leases	3,855	210	4,065	11
Other Noncurrent Liabilities	-	-	-	655
Accrued Pension and Postretirement Benefits	-	-	-	7,915
Total Noncurrent Liabilities	<u>1,034,177</u>	<u>252,969</u>	<u>1,287,146</u>	<u>24,883</u>
Total Liabilities	<u>1,652,336</u>	<u>308,196</u>	<u>1,960,532</u>	<u>29,695</u>
<b>NET ASSETS</b>				
Unrestricted (Deficit)	(193,380)	9,924	(183,456)	(1,178)
Restricted for:				
Debt Service	7,332	14,836	22,168	-
Milwaukee County Family Care	12,182	-	12,182	-
Capital Asset Needs	-	5,057	5,057	-
Airport - PFC and Debt	26,921	-	26,921	-
Behavioral Health Division	8,360	-	8,360	-
Fleet and Facilities Divisions	6,183	-	6,183	-
Museum	-	-	-	6,343
Other	1,898	-	1,898	398
Invested in Capital Assets, Net of Related Debt	<u>269,272</u>	<u>206,417</u>	<u>475,689</u>	<u>12,168</u>
Total Net Assets	<u>138,768</u>	<u>236,234</u>	<u>375,002</u>	<u>17,731</u>
Total Liabilities and Net Assets	<u>\$ 1,791,104</u>	<u>\$ 544,430</u>	<u>\$ 2,335,534</u>	<u>\$ 47,426</u>

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

COUNTY OF MILWAUKEE  
Statement of Activities  
For The Year Ended December 31, 2010  
(In Thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating		Primary Government			
			Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Functions / Programs</b>								
<b>Primary Government:</b>								
Governmental Activities:								
Legislative, Executive and Staff	\$ (51,340)	\$ 1,786	\$ 1,530	\$ -	\$ (48,024)	\$ -	\$ (48,024)	\$ -
Courts and Judiciary	(57,121)	4,622	26,626	-	(25,873)	-	(25,873)	-
General Governmental Services	(4,077)	4,243	43	-	209	-	209	-
Public Safety	(164,447)	9,992	18,015	-	(136,440)	-	(136,440)	-
Public Works and Highways	(66,641)	29,537	17,526	160	(19,418)	-	(19,418)	-
Human Services	(616,717)	328,101	202,219	-	(86,397)	-	(86,397)	-
Parks, Recreation and Culture	(77,221)	31,381	1,382	-	(44,458)	-	(44,458)	-
Interest and Other Charges	(39,472)	-	-	-	(39,472)	-	(39,472)	-
Total Governmental Activities	(1,077,036)	409,662	267,341	160	(399,873)	-	(399,873)	-
Business-Type Activities:								
Airport	(82,692)	79,644	309	25,284	-	22,545	22,545	-
Transit	(174,960)	57,624	89,186	24,205	-	(3,945)	(3,945)	-
Total Business-Type Activities	(257,652)	137,268	89,495	49,489	-	18,600	18,600	-
<b>Total Primary Government</b>	<b>\$ (1,334,688)</b>	<b>\$ 546,930</b>	<b>\$ 356,836</b>	<b>\$ 49,649</b>	<b>(399,873)</b>	<b>18,600</b>	<b>(381,273)</b>	<b>-</b>
<b>Component Units:</b>								
Museum	\$ (15,378)	\$ 11,403	\$ 3,503	\$ -	-	-	-	(472)
War Memorial Center	(2,905)	306	1,748	-	-	-	-	(851)
Marcus Center	(9,393)	4,512	1,280	-	-	-	-	(3,601)
Research Park Corporation	(887)	87	-	-	-	-	-	(800)
Total Component Units	(28,563)	16,308	6,531	-	-	-	-	(5,724)
General Revenues:								
Property Taxes					266,973	-	266,973	-
Sales Taxes					61,534	-	61,534	-
Intergovernmental Revenues Not Related to Specific Program					44,952	-	44,952	-
Investment Income					4,476	162	4,638	5,119
Other Revenue					43,339	-	43,339	1,846
Transfers					(14,260)	14,260	-	-
Total General Revenues and Transfers					407,014	14,422	421,436	6,965
Change in Net Assets					7,141	33,022	40,163	1,241
Net Assets -- Beginning					131,627	203,212	334,839	16,490
Net Assets -- Ending					\$ 138,768	\$ 236,234	\$ 375,002	\$ 17,731

COUNTY OF MILWAUKEE  
Balance Sheet  
Governmental Funds  
December 31, 2010  
(In Thousands)

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Investments	\$ 165,797	\$ 8,033	\$ 105,087	\$ 16,638	\$ 295,555
Cash and Investments -- Restricted	11,432	-	-	26,921	38,353
Receivables:					
Accounts (Net of Allowances for Doubtful Accounts)	20,547	144	2,819	-	23,510
Property Taxes:					
Current Levy	270,386	-	-	-	270,386
Delinquent	19,792	-	-	-	19,792
Accrued Interest	8,233	-	-	-	8,233
Notes Receivable	339	611	-	-	950
Other	12,301	-	109	6	12,416
Due From Other Governments	42,650	-	1,347	-	43,997
Inventories	2,070	-	-	-	2,070
Prepaid Items	2,932	-	-	-	2,932
<b>Total Assets</b>	<u>\$ 556,479</u>	<u>\$ 8,788</u>	<u>\$ 109,362</u>	<u>\$ 43,565</u>	<u>\$ 718,194</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable	\$ 52,794	\$ 798	\$ 11,146	\$ 203	\$ 64,941
Accrued Liabilities	44,339	47	-	-	44,386
Accrued Pension Payable	39,821	-	-	-	39,821
Other Liabilities	239	-	-	-	239
Due to Other Governments	1,820	-	-	-	1,820
Deferred Revenues	372,291	611	-	-	372,902
<b>Total Liabilities</b>	<u>511,304</u>	<u>1,456</u>	<u>11,146</u>	<u>203</u>	<u>524,109</u>
Fund Balance:					
Reserved for 2011 Appropriations	4,144	-	-	-	4,144
Reserved for 2012 Appropriations	8	-	-	-	8
Reserved for Debt Service	-	7,332	-	-	7,332
Reserved for Encumbrances	5,092	-	98,216	-	103,308
Reserved for Milwaukee County Family Care	12,182	-	-	-	12,182
Reserved for Inventories	2,070	-	-	-	2,070
Reserved for Health and Safety	-	-	-	136	136
Reserved for Zoo	-	-	-	711	711
Reserved for Parks	-	-	-	930	930
Reserved for Persons with Disabilities	-	-	-	121	121
Reserved for Behavioral Health Division	-	-	-	8,360	8,360
Reserved for Airport - PFC and Debt	-	-	-	26,921	26,921
Reserved for Fleet and Facilities Divisions	-	-	-	6,183	6,183
Reserved for Delinquent Property Tax	14,826	-	-	-	14,826
Unreserved -- Designated for Economic Development	196	-	-	-	196
Unreserved -- Designated for Housing	948	-	-	-	948
Unreserved -- Designated for Family Care	3,233	-	-	-	3,233
Unreserved -- Designated for Investments	2,476	-	-	-	2,476
<b>Total Fund Balance</b>	<u>45,175</u>	<u>7,332</u>	<u>98,216</u>	<u>43,362</u>	<u>194,085</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 556,479</u>	<u>\$ 8,788</u>	<u>\$ 109,362</u>	<u>\$ 43,565</u>	<u>\$ 718,194</u>

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

COUNTY OF MILWAUKEE  
 Reconciliation of the Balance Sheet  
 of Governmental Funds  
 to the Statement of Net Assets  
 For the Year Ended December 31, 2010  
 (In Thousands)

Total Fund Balances for Governmental Funds as of 12/31/10 \$ 194,085

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

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

Land	59,303
Construction in Progress	39,047
Land Improvements	236,677
Buildings and Improvements	653,048
Infrastructure	164,262
Machinery, Vehicles and Equipment	127,210
Less: Accumulated Depreciation	(648,155)

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:

(3,391)

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.

6,704

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	(834,200)
Unamortized Debt Issuance Costs	60
Capital Leases	(4,735)
Unfunded Claims and Judgments	(2,000)
Landfill Postclosure Costs	(3,380)
Pollution Remediation Costs	(488)
Compensated Absences Payable	(45,441)
Other Post Employment Benefits	(196,210)

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

Net Pension Asset	404,328
-------------------	---------

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.

(7,955)

Total Net Assets of Governmental Activities as of 12/31/10 \$ 138,768

COUNTY OF MILWAUKEE  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For The Year Ended December 31, 2010  
(In Thousands)

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Intergovernmental	\$ 306,875	\$ 830	\$ 27,868	\$ -	\$ 335,573
Property Taxes	266,973	-	-	-	266,973
Sales Taxes	61,114	-	420	-	61,534
Charges for Services	374,063	-	-	14,211	388,274
Fines and Forfeits	3,284	-	-	-	3,284
Licenses and Permits	640	-	-	-	640
Investment Income and Rents	10,276	-	884	380	11,540
Other	32,948	8,968	4,913	74	46,903
<b>Total Revenues</b>	<u>1,056,173</u>	<u>9,798</u>	<u>34,085</u>	<u>14,665</u>	<u>1,114,721</u>
<b>Expenditures:</b>					
Current:					
Legislative, Executive and Staff	21,309	-	-	-	21,309
Courts and Judiciary	55,384	-	-	-	55,384
General Governmental Services	6,747	-	-	-	6,747
Public Safety	154,196	-	-	-	154,196
Public Works and Highways	41,256	-	-	9,420	50,676
Human Services	610,514	-	-	622	611,136
Parks, Recreation and Culture	63,236	-	-	826	64,062
Capital Outlay	-	-	80,584	-	80,584
Debt Service:					
Principal Retirement	-	60,202	-	-	60,202
Interest and Other Charges	-	38,036	-	-	38,036
<b>Total Expenditures</b>	<u>952,642</u>	<u>98,238</u>	<u>80,584</u>	<u>10,868</u>	<u>1,142,332</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
Expenditures	<u>103,531</u>	<u>(88,440)</u>	<u>(46,499)</u>	<u>3,797</u>	<u>(27,611)</u>
<b>Other Financing Sources (Uses):</b>					
General Obligation Bonds Issued	340	193	82,450	-	82,983
Transfers In	54,503	89,359	45,584	-	189,446
Transfers Out	(157,106)	-	(47,787)	-	(204,893)
<b>Total Other Financing Sources (Uses)</b>	<u>(102,263)</u>	<u>89,552</u>	<u>80,247</u>	<u>-</u>	<u>67,536</u>
<b>Net Change in Fund Balances</b>	1,268	1,112	33,748	3,797	39,925
Fund Balances - Beginning	43,907	6,220	64,468	39,565	154,160
Fund Balances - Ending	<u>\$ 45,175</u>	<u>\$ 7,332</u>	<u>\$ 98,216</u>	<u>\$ 43,362</u>	<u>\$ 194,085</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, 2010  
(In Thousands)

Net change in fund balances -- total governmental funds \$ 39,925

**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	80,584
Capital outlay contributed to Transit	(27,824)
Items reported as capital outlay that were not capitalized	(8,702)
Items reported as capital from operations	13,644
Depreciation reported in the government-wide statements	(40,247)
Net book value of assets retired	510

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (1,965)

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	(82,985)
Principal repaid	60,202

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. (223)

Principal payments reduce notes receivable on the Statement of Net Assets but are reported as revenues in the funds. (1,045)

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	3,238
Amortization of Bond Costs	(1,146)
Net Pension Obligation	8,721
Landfill Postclosure Costs	150
Pollution Remediation Costs	8
Compensated Absences Payable	502
Other Postemployment Benefits	(36,206)

Change in net assets of governmental activities	\$ 7,141
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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, 2010  
 (In Thousands)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance With Final <u>Budget</u>
Revenues:				
Intergovernmental	\$ 294,426	\$ 320,273	\$ 306,875	\$ (13,398)
Property Taxes	266,048	266,048	266,973	925
Sales Taxes	65,362	65,362	61,114	(4,248)
Charges for Services	401,727	377,385	374,063	(3,322)
Fines and Forfeits	3,447	3,447	3,284	(163)
Licenses and Permits	509	509	640	131
Investment Income and Rents	10,606	10,606	10,276	(330)
Other	45,403	42,569	31,136	(11,433)
Total Revenues	<u>1,087,528</u>	<u>1,086,199</u>	<u>1,054,361</u>	<u>(31,838)</u>
Expenditures:				
Current:				
Legislative, Executive and Staff	25,123	23,606	22,220	1,386
Courts and Judiciary	71,081	58,847	58,597	250
General Governmental Services	7,708	7,488	6,980	508
Public Safety	166,404	170,743	166,058	4,685
Public Works and Highways	49,560	48,244	43,564	4,680
Human Services	611,971	632,970	618,826	14,144
Parks, Recreation and Culture	68,125	64,205	58,973	5,232
Total Expenditures	<u>999,972</u>	<u>1,006,103</u>	<u>975,218</u>	<u>30,885</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>87,556</u>	<u>80,096</u>	<u>79,143</u>	<u>(953)</u>
Other Financing Sources (Uses):				
Application of Fund Balance	4,144	4,144	4,144	-
General Obligation Bonds Issued	-	-	340	340
Transfers In	56,093	81,872	54,503	(27,369)
Transfers Out	(141,262)	(159,581)	(139,576)	20,005
Transfers To Component Units	(6,531)	(6,531)	(6,531)	-
Total Other Financing Sources (Uses)	<u>(87,556)</u>	<u>(80,096)</u>	<u>(87,120)</u>	<u>(7,024)</u>
Net Change in Fund Balance	-	-	(7,977)	(7,977)
Fund Balances -- Beginning	43,907	43,907	43,907	-
Fund Balances -- Ending	<u>\$ 43,907</u>	<u>\$ 43,907</u>	<u>\$ 35,930</u>	<u>\$ (7,977)</u>

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

COUNTY OF MILWAUKEE  
Balance Sheet  
Proprietary Funds  
December 31, 2010  
(In Thousands)

	<u>Business-Type Activities -- Enterprise Funds</u>			Governmental
	Airports	Transit System	Total	Activities -- Internal Service Funds
<b><u>Assets</u></b>				
Current Assets:				
Cash and Investments	\$ 47,526	\$ 6,883	\$ 54,409	\$ 22,244
Cash and Investments -- Restricted	50,026	-	50,026	-
Receivables:				
Accounts (Net of Allowances for Uncollectible Accounts and Contractual Adjustments)	3,354	59	3,413	2,389
Other	79	2,261	2,340	-
Due From Other Governments	5,486	19,311	24,797	299
Inventories	-	3,364	3,364	-
Prepaid Items	-	3,094	3,094	2,214
Total Current Assets	<u>106,471</u>	<u>34,972</u>	<u>141,443</u>	<u>27,146</u>
Noncurrent Assets:				
Capital Assets:				
Land	18,594	2,773	21,367	-
Construction in Progress	21,003	66	21,069	2,318
Land Improvements	169,986	6,560	176,546	3,103
Building and Improvements	312,309	60,934	373,243	3,005
Machinery, Vehicles and Equipment	13,593	181,326	194,919	37,332
Total Capital Assets	535,485	251,659	787,144	45,758
Less: Accumulated Depreciation	(225,552)	(158,605)	(384,157)	(35,775)
Total Capital Assets (Net)	<u>309,933</u>	<u>93,054</u>	<u>402,987</u>	<u>9,983</u>
Total Noncurrent Assets	<u>309,933</u>	<u>93,054</u>	<u>402,987</u>	<u>9,983</u>
Total Assets	<u>\$ 416,404</u>	<u>\$ 128,026</u>	<u>\$ 544,430</u>	<u>\$ 37,129</u>
<b><u>Liabilities</u></b>				
Current Liabilities:				
Accounts Payable	\$ 5,553	\$ 1,593	\$ 7,146	\$ 1,022
Accrued Liabilities	2,018	4,204	6,222	-
Accrued Interest Payable	1,302	401	1,703	182
Unearned Revenues	10,582	3,500	14,082	1
Bonds and Notes Payable - General Obligation	292	2,505	2,797	1,821
Bonds and Notes Payable - Revenue	8,210	-	8,210	-
Compensated Absences	1,534	4,445	5,979	1,174
Risk Claims	-	5,484	5,484	9,830
Capital Leases	180	-	180	5
Other Liabilities	10	3,414	3,424	-
Total Current Liabilities	<u>29,681</u>	<u>25,546</u>	<u>55,227</u>	<u>14,035</u>
Long-Term Liabilities:				
Bonds and Notes Payable - General Obligation	519	32,058	32,577	13,784
Bonds and Notes Payable - Revenue	200,378	-	200,378	-
Compensated Absences	1,312	4,216	5,528	1,466
Risk Claims	-	6,216	6,216	4,247
Other Post Employment Benefits	8,060	-	8,060	6,954
Capital Leases	210	-	210	34
Total Long-Term Liabilities	<u>210,479</u>	<u>42,490</u>	<u>252,969</u>	<u>26,485</u>
Total Liabilities	<u>240,160</u>	<u>68,036</u>	<u>308,196</u>	<u>40,520</u>
<b><u>Net Assets (Liabilities)</u></b>				
Unrestricted	8,669	1,255	9,924	2,270
Restricted for:				
Debt Service	14,836	-	14,836	-
Capital Asset Needs	5,057	-	5,057	-
Invested in Capital Assets, Net of Related Debt	147,682	58,735	206,417	(5,661)
Total Net Assets (Liabilities)	<u>176,244</u>	<u>59,990</u>	<u>236,234</u>	<u>(3,391)</u>
Total Liabilities and Net Assets	<u>\$ 416,404</u>	<u>\$ 128,026</u>	<u>\$ 544,430</u>	<u>\$ 37,129</u>

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

COUNTY OF MILWAUKEE  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2010  
(In Thousands)

	<u>Business-Type Activities -- Enterprise Funds</u>			Governmental Activities --
	<u>Airports</u>	Transit <u>System</u>	<u>Total</u>	Internal Service Funds
Operating Revenues:				
Rentals and Other Service Fees	\$ 64,477	\$ 94	\$ 64,571	\$ 31,471
Admissions and Concessions	15,154	-	15,154	-
Transit Fares	-	52,097	52,097	-
Total Charges for Services	<u>79,631</u>	<u>52,191</u>	<u>131,822</u>	<u>31,471</u>
Other Revenues	13	5,433	5,446	750
Total Operating Revenues	<u>79,644</u>	<u>57,624</u>	<u>137,268</u>	<u>32,221</u>
Operating Expenses:				
Personnel Services	22,488	115,016	137,504	13,990
Contractual Services	16,847	30,311	47,158	6,703
Intra-County Services	9,598	1,748	11,346	2,924
Commodities	4,018	13,149	17,167	490
Depreciation and Amortization	16,747	11,525	28,272	2,585
Maintenance	1,600	278	1,878	372
Other	1,195	1,844	3,039	-
Insurance and Claims	-	-	-	7,244
Client Payments	-	-	-	4
Total Operating Expenses	<u>72,493</u>	<u>173,871</u>	<u>246,364</u>	<u>34,312</u>
Operating Income (Loss)	<u>7,151</u>	<u>(116,247)</u>	<u>(109,096)</u>	<u>(2,091)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	309	89,186	89,495	1,751
Investment Income	162	-	162	-
Interest Expense	(10,199)	(1,089)	(11,288)	(681)
Total Nonoperating Revenues (Expenses)	<u>(9,728)</u>	<u>88,097</u>	<u>78,369</u>	<u>1,070</u>
Income (Loss) Before Contributions and Transfers	(2,577)	(28,150)	(30,727)	(1,021)
Capital Contributions (Returned)	25,284	24,205	49,489	(389)
Transfers In	-	20,263	20,263	1,900
Transfers Out	(6,003)	-	(6,003)	(713)
Change in Net Assets	16,704	16,318	33,022	(223)
Net Assets -- Beginning	159,540	43,672	203,212	(3,168)
Net Assets -- Ending	<u>\$ 176,244</u>	<u>\$ 59,990</u>	<u>\$ 236,234</u>	<u>\$ (3,391)</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, 2010  
(In Thousands)

	Business-Type Activities -- Enterprise Funds			Governmental Activities
	Airports	Transit System	Total	Internal Service Funds
<b>Cash Flows Provided (Used) by Operating Activities:</b>				
Receipts from Customers and Interfund Users	\$ 84,525	\$ 59,608	\$ 144,133	\$ 3,445
Receipts from Interfund Services	-	-	-	26,432
Payments to Suppliers	(21,591)	(49,060)	(70,651)	(16,336)
Payments to Employees	(18,658)	(111,473)	(130,131)	(12,387)
Payments for Interfund Services Used	(9,598)	(1,748)	(11,346)	159
Net Cash Flows Provided (Used) by Operating Activities	<u>34,678</u>	<u>(102,673)</u>	<u>(67,995)</u>	<u>1,313</u>
<b>Cash Flows Provided (Used) by Noncapital Financing Activities:</b>				
Intergovernmental Revenues	309	69,875	70,184	1,751
Transfers From Other Funds	-	20,263	20,263	1,900
Transfers (To) Other Funds	(6,003)	-	(6,003)	(714)
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>(5,694)</u>	<u>90,138</u>	<u>84,444</u>	<u>2,937</u>
<b>Cash Flows Provided (Used) by Capital and Related Financing Activities:</b>				
Capital Contributions (Returned)	-	-	-	(389)
Proceeds from Bonds	32,248	10,803	43,051	2,681
Proceeds from Refunding Bonds	55,095	-	55,095	-
Capital Contributions	25,284	24,205	49,489	-
Principal Payment on Bonds	(10,844)	(2,362)	(13,206)	(1,782)
Principal Payment on Refunding Bonds	(54,923)	-	(54,923)	-
Interest Paid on Bonds	(9,308)	(1,128)	(10,436)	(664)
Payments on Capital Lease	9	-	9	(6)
Acquisition of Capital Assets	(30,421)	(35,368)	(65,789)	(2,392)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>7,140</u>	<u>(3,850)</u>	<u>3,290</u>	<u>(2,552)</u>
<b>Cash Flows Provided (Used) by Investing Activities:</b>				
Investment Income	162	-	162	-
Net Cash Flows Provided (Used) by Investing Activities	<u>162</u>	<u>-</u>	<u>162</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	36,286	(16,385)	19,901	1,698
Cash and Cash Equivalents at Beginning of Year	61,266	23,268	84,534	20,546
Cash and Cash Equivalents at End of Year	<u>\$ 97,552</u>	<u>\$ 6,883</u>	<u>\$ 104,435</u>	<u>\$ 22,244</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Assets Financed by Capital Leases	<u>\$ 204</u>	<u>\$ -</u>	<u>\$ 204</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ 7,151	\$ (116,247)	\$ (109,096)	\$ (2,091)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Depreciation and Amortization	16,747	11,525	28,272	2,585
(Increase) Decrease in Assets:				
Accounts Receivable	(317)	451	134	(2,307)
Other Receivables	-	1,245	1,245	-
Due from Other Governments	2,941	-	2,941	-
Inventories	-	(356)	(356)	-
Prepaid Items	-	(2,818)	(2,818)	(2,153)
Other Post Employment Asset	-	10	10	-
Increase (Decrease) in Liabilities:				
Accounts Payable	2,069	115	2,184	493
Accrued Liabilities	1,659	1,391	3,050	44
Unearned Revenues	2,257	288	2,545	-
Compensated Absences	(203)	(968)	(1,171)	(544)
Risk Claims	-	3,110	3,110	3,183
Other Post Employment Benefits	2,374	-	2,374	2,103
Other Liabilities	-	(419)	(419)	-
Total Adjustments	<u>27,527</u>	<u>13,574</u>	<u>41,101</u>	<u>3,404</u>
Net Cash Flows Provided (Used) by Operating Activities	<u>\$ 34,678</u>	<u>\$ (102,673)</u>	<u>\$ (67,995)</u>	<u>\$ 1,313</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, 2010  
 (In Thousands)

	Pension Trust Fund	Agency Funds
<b><u>Assets</u></b>		
Cash and Investments:		
Domestic Common and Preferred Stocks	\$ 443,570	\$ -
Long / Short Hedge Funds	190,166	-
Corporate Bonds and Convertible Debentures	347,666	-
International Common and Preferred Stocks	351,786	-
Real Estate Investments Trusts	95,307	-
Infrastructure	129,472	-
Federal Agency and Mortgage-Backed Certificates	116,572	-
U.S. Government and State Obligations	78,258	-
International Fixed Income	10,815	-
Private Equity	25,101	-
Deposits	62,074	33,210
Total Cash and Investments	1,850,787	33,210
Receivables:		
Pension Trust Fund Contribution	32,071	-
Accrued Interest and Dividends	2,473	-
Other	12,256	1,217
Securities Lending	115,532	-
Other Assets	6,029	-
Total Assets	2,019,148	34,427
<b><u>Liabilities</u></b>		
Accounts Payable	-	328
Agency Deposits	-	34,099
Securities Lending	115,532	-
Other Liabilities	8,449	-
Total Liabilities	123,981	34,427
<b><u>Net Assets</u></b>		
Held in Trust for Pension Benefits	\$ 1,895,167	\$ -

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, 2010  
 (In Thousands)

	Total
Additions:	
Contributions:	
County of Milwaukee	\$ 32,894
Plan Participants	75
Total Contributions	32,969
Investment Income:	
Net Appreciation (Depreciation) in Fair Value	183,468
Interest and Dividends	26,396
Other Income	830
Total Investment Income	210,694
Security Lending Income	235
Less: Security Lending Rebates and Fees	(24)
Net Security Lending Activity	211
Investment Expense	(4,259)
Net Investment Income (Loss)	206,646
Total Additions, Net of Losses	239,615
Deductions:	
Benefits Paid to Retirees and Beneficiaries	(162,802)
Administrative Expenses	(4,186)
Total Deductions	(166,988)
Change In Plan Net Assets	72,627
Plan Net Assets Held In Trust for Pension Benefits	
Beginning of Year	1,822,540
End of Year	\$ 1,895,167

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, 2010  
(In Thousands)

	<u>Museum</u>	<u>War Memorial Center</u>	<u>Marcus Center</u>	<u>Research Park Corporation</u>	<u>Total</u>
<b><u>Assets</u></b>					
Current Assets:					
Cash and Investments	\$ 3,165	\$ 102	\$ 2,792	\$ 2,594	\$ 8,653
Accounts Receivable	800	-	146	117	1,063
Accrued Interest Receivable	-	-	1	-	1
Inventories	29	-	4	-	33
Prepaid Items	188	-	60	5	253
Total Current Assets	<u>4,182</u>	<u>102</u>	<u>3,003</u>	<u>2,716</u>	<u>10,003</u>
Noncurrent Assets:					
Long-Term Investments	6,129	-	1,078	-	7,207
Accounts Receivable	720	-	-	-	720
Other	152	-	482	18	652
Capital Assets (Net):					
Construction in Progress	50	-	7	-	57
Buildings and Improvements	19,221	-	22,161	-	41,382
Machinery, Vehicles and Equipment	10,283	-	1,993	-	12,276
Less: Accumulated Depreciation	<u>(12,426)</u>	<u>-</u>	<u>(12,445)</u>	<u>-</u>	<u>(24,871)</u>
Total Capital Assets (Net)	<u>17,128</u>	<u>-</u>	<u>11,716</u>	<u>-</u>	<u>28,844</u>
Total Noncurrent Assets	<u>24,129</u>	<u>-</u>	<u>13,276</u>	<u>18</u>	<u>37,423</u>
Total Assets	<u>\$ 28,311</u>	<u>\$ 102</u>	<u>\$ 16,279</u>	<u>\$ 2,734</u>	<u>\$ 47,426</u>
<b><u>Liabilities</u></b>					
Current Liabilities:					
Accounts Payable	\$ 448	\$ -	\$ 168	\$ 37	\$ 653
Accrued Liabilities	657	-	259	6	922
Accrued Interest Payable	55	-	-	-	55
Unearned Revenues	997	-	1,485	109	2,591
Bonds and Notes Payable	124	-	241	26	391
Capital Leases	13	-	17	-	30
Other Current Liabilities	-	-	58	-	58
Accrued Pension and Postretirement Benefits	112	-	-	-	112
Total Current Liabilities	<u>2,406</u>	<u>-</u>	<u>2,228</u>	<u>178</u>	<u>4,812</u>
Noncurrent Liabilities:					
Bonds and Notes Payable	16,218	-	52	32	16,302
Capital Leases	-	-	11	-	11
Other Noncurrent Liabilities	-	-	655	-	655
Accrued Pension and Postretirement Benefits	7,915	-	-	-	7,915
Total Noncurrent Liabilities	<u>24,133</u>	<u>-</u>	<u>718</u>	<u>32</u>	<u>24,883</u>
Total Liabilities	<u>26,539</u>	<u>-</u>	<u>2,946</u>	<u>210</u>	<u>29,695</u>
<b><u>Net Assets</u></b>					
Unrestricted (Deficit)	(5,344)	-	1,892	2,274	(1,178)
Restricted	6,343	102	46	250	6,741
Invested in Capital Assets, Net of Related Debt	773	-	11,395	-	12,168
Total Net Assets	<u>1,772</u>	<u>102</u>	<u>13,333</u>	<u>2,524</u>	<u>17,731</u>
Total Liabilities and Net Assets	<u>\$ 28,311</u>	<u>\$ 102</u>	<u>\$ 16,279</u>	<u>\$ 2,734</u>	<u>\$ 47,426</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, 2010  
(In Thousands)

	<u>Museum</u>	<u>War Memorial Center</u>	<u>Marcus Center</u>	<u>Research Park Corporation</u>	<u>Total</u>
Revenues:					
County Program Support	\$ 3,503	\$ 1,748	\$ 1,280	\$ -	\$ 6,531
Charges for Services:					
Contributions and memberships	5,721	75	333	56	6,185
Other	5,682	231	4,179	31	10,123
Interest on Investments and Rents	477	762	2,909	971	5,119
Other	1,068	113	657	8	1,846
Total Revenues	<u>16,451</u>	<u>2,929</u>	<u>9,358</u>	<u>1,066</u>	<u>29,804</u>
Expenses:					
Public Works and Highways	-	-	-	887	887
Parks, Recreation and Culture	15,378	2,905	9,393	-	27,676
Total Expenses	<u>15,378</u>	<u>2,905</u>	<u>9,393</u>	<u>887</u>	<u>28,563</u>
Changes in Net Assets	1,073	24	(35)	179	1,241
Net Assets -- Beginning	699	78	13,368	2,345	16,490
Net Assets -- Ending	<u>\$ 1,772</u>	<u>\$ 102</u>	<u>\$ 13,333</u>	<u>\$ 2,524</u>	<u>\$ 17,731</u>

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



## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Milwaukee County**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(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.

**A. The Reporting Entity**

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

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

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

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

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

#### **Component Units**

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

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

**The Milwaukee County War Memorial Center, Inc.** (“The War Memorial Center”) is a non-profit Wisconsin organization whose purpose is to operate and maintain four facilities, the War Memorial Center/Milwaukee Art Museum, the Marcus Center for the Performing Arts and the Charles Allis/Villa Terrace Art Museums. 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

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

### A. The Reporting Entity (Continued)

#### Component Units – (Continued)

addition, the County provides the majority of the Center's financial support, thus the War Memorial Center has the ability to impose specific financial burdens on the County. The War Memorial Center has a December 31<sup>st</sup> year-end.

**The Marcus Center for the Performing Arts** ("Marcus Center") is a not-for-profit non-stock corporation based in Wisconsin that offers performance facilities, a parking structure and various services to a wide range of performing arts. The Marcus Center is home to the Milwaukee Symphony Orchestra, the Milwaukee Ballet Company, the Milwaukee Youth Symphony Orchestra, the Florentine Opera Company, First Stage Milwaukee and other special arts groups, ethnic and cultural festivals and community concerts. A twenty-five member Board of Directors governs the Marcus Center. Seven members of the Board are appointed by the County Executive and confirmed by the County Board of Supervisors. The Board of Directors provides oversight and governance for the Marcus Center. The President and CEO oversee the day-to-day operations. The Marcus Center 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 31<sup>st</sup>.

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

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

### A. The Reporting Entity (Continued)

#### Component Units – (Continued)

**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. The economic resources held by the Corporation are contributed to the Research Park through land sales and rent, by agreement of the County, for the direct benefit of the County and its constituents. The Corporation has a fiscal year ending December 31<sup>st</sup>.

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

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

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

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

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

#### 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.

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

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

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

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

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

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

#### **Fund Financial Statements**

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity,

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

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

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

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 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.

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

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

#### **Governmental Funds**

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

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

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

#### **Proprietary Funds**

The County's enterprise funds and internal service funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets. The enterprise fund activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989.



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

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

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

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.

### **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 accumulation of resources and the payment of principal and interest on long-term general obligation debt.

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

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

### C. Basis of Presentation (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **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, Pension Trust, and Agency funds are restricted and are not available to the County to finance its operations.

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

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

#### **2. Receivables**

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

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.

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

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

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

Certain proceeds of the Airports enterprise fund revenue bonds, as well as certain resources set aside for repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. At the end of 2010, these restricted assets were \$ 20,026 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 \$ 20,917 at the end of 2010. Passenger facility charges are collected by the Airport and are used for capital projects of repayment of bonds for approved capital projects. The passenger facility charges are accounted for in a separate Special Revenue Fund.

In addition, at the end of 2010, the Airport had \$ 30,000 of 2004, 2005, 2006, 2007, 2009 and 2010 revenue bond proceeds that were unspent, and for purposes of this report, are considered restricted.

In addition, the County has restricted \$ 6,004 of contributed assets for a \$ 14,400 debt guarantee made by the County on behalf of a local company. The County provided the guarantee in return for a mortgage on specific assets of the company plus \$ 4,900 of cash provided by the company and the State of Wisconsin. These funds act as a debt reserve, and are included in the Airport special revenue fund. During 2009, the company announced that another company was purchasing it and the County Board of Supervisors approved a three-year extension of the agreement to August 15, 2012. In July 2010, Milwaukee County agreed to transfer the credit assistance agreement to a subsidiary of the parent company.

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

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

#### 4. Restricted Assets (Continued)

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

#### 5. Capital Assets

##### Government-wide Statements

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

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

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

## **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)**

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

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

##### **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.

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

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

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

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

Generally, accumulated sick pay is forfeited upon termination other than retirement. When an employee retires, accumulated sick leave benefits vest. Most represented employees are entitled to payment upon retirement for a majority of accumulated sick leave hours earned. Full payment is either made in cash or is used to pay for 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 \$ 3,162 in 2010.

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 \$ 25,073 and \$ 5,979, 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 prior debt, or the life of the new debt, whichever is shorter. Bonds payable are reported net of the applicable bond premium or discount and gains or losses, as applicable. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

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

#### **7. Long-Term Obligations (Continued)**

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

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

#### **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”.

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

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

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

##### **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.

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

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

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

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

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

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

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

current year of operations for the difference between amounts billed (or loans made) and expected reimbursement. In as much as the adjustment is an estimate, any difference between the amount accrued and the amount settled is recorded in operations in the year of settlement. At December 31, 2010, the total allowance for BHD, Aging CMO, and DHHS was \$ 11,737. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectable as reported at December 31, 2010. All allowances are netted against receivables for financial statement presentation.

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

Interest is capitalized on business-type assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting debt interest expense incurred from the date of the borrowing until completion of the project, with interest earned on invested, unspent debt proceeds over the same period. During 2010, the net amount of capitalized interest was \$ 2,107.

#### **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 a liability for rebateable arbitrage as of December 31, 2010 of \$ 848.

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

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

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

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

#### **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. A negative capital contribution represents a return of capital contributions, or the issuance of debt used for building capital assets. The contributions amount is reported after non-operating revenues and expenses on the statement of revenues, expenses, and changes in fund net assets in accordance with GASB Statement 34.

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

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

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

Pension expenditures of governmental fund types are recognized on the modified accrual basis; which means that the amount of pension expense recognized is equal to the amount contributed to the plan or expected to be liquidated with expendable available financial resources. In the government-wide and proprietary financial statements, pension expense is recognized on the accrual basis; which means that the amount recognized in the current period is equal to annual pension cost. The pension obligation/asset represents the difference between the annual required contribution plus interest, net of payments. In 2009, the County issued \$ 400,000 of pension obligation bonds. The bond proceeds were used to contribute funds to the Milwaukee County Employee Retirement

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

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

#### **16. Pension Obligation Asset (Continued)**

System. The payment of bond proceeds to the pension fund contributed to the creation of a net pension asset.

#### **17. Encumbrances**

Encumbrance accounting is employed in governmental funds. Encumbrances of purchase orders, contracts and other commitments for the expenditure of funds are recorded as 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.

#### **18. 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. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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

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

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

### **E. Governmental Accounting Standards for 2010**

In Fiscal Year 2010, the County implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets". The County has opted not to retroactively report internally generated intangible assets. Intangible assets with an indefinite useful life held by the County consisted of permanent easements which were previously included in the value of land, as a result, there was no impact to the total net assets or fund balances previously reported.

The County implemented GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments." The implementation of this new standard did not have a material impact on the County's financial statements for Fiscal Year 2010.

The County has implemented GASB Statement No. 58, "Accounting and Financial Reporting for Bankruptcies". The implementation of this new standard did not have a material impact on the County's financial statements for Fiscal Year 2010.

## **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 2010 appropriations and encumbrances. For budget purposes, fund balance-reserved for 2010 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 Basis of Accounting (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 2010 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 2010 Appropriations is available for financial expenditures and is reflected as other financing sources (uses). In the Non-GAAP Budgetary Basis statements, principal and interest payments on pension obligation bonds are considered a departmental personnel service appropriation and are reflected as an expenditure, instead of a debt service fund operating transfer under other financing sources (uses). The “Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds” is prepared on a basis consistent with GAAP. Under this method, encumbrances are considered a 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 is as follows:

	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
GAAP Basis	\$ 952,642	\$ (102,263)
Encumbrances	9,247	-
Pension/Other	19,860	17,530
Reserved for 2010 Appropriations	-	4,144
Transfers to Component Units	(6,531)	(6,531)
<b>Non-GAAP Budgetary Basis</b>	<b><u>\$ 975,218</u></b>	<b><u>\$ (87,120)</u></b>



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

### **Budgetary Basis of Accounting (Continued)**

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

### **Deficit Fund Net Assets**

The Information Management Services Internal Service Fund had a negative balance of net assets (net liabilities) of \$ 5,913 as of December 31, 2010. The net liabilities were due to the fund incurring depreciation expense on assets purchased with the debt proceeds at a faster rate than the payment of principal on the outstanding debt. The net liabilities will breakeven in future years as the principal is paid down by the fund.

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

Section 59.605 of the Wisconsin Statutes imposes a limit on the property tax rate that the County can impose upon its citizens. Separate limits were imposed for operating levy rates and debt service levy rates of \$ 4.08 per \$ 1,000 of equalized value and \$ 1.42 per \$ 1,000 of equalized value, respectively. For 2010, the County's actual operating and debt service levy rates were \$ 3.21 per \$ 1,000 of equalized value and \$ .94 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 trusts and funds, which have been designated as interest earning funds. The remaining investment earnings are provided as an offset to costs for the government as a whole. A "zero balance account" mechanism provides for the sweep of deposits made to bank accounts and the payment for checks presented against accounts. The Primary Government, excluding the Pension Trust, then makes a decision to either transfer funds to an investment manager for the purchase of government securities, or to maintain the funds in the financial institution. Funds sent to the investment manager are used to purchase investments that meet the County's investment policy and State Statute requirements. The net funds maintained at the County's primary financial institution will earn a guaranteed rate of return set to the current market LIBOR rates. The funds maintained at the County's primary financial institution are secured by collateral in the County's name at a Federal Reserve Bank. The

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

County maintains other bank accounts for convenience of deposit. These accounts are transferred to the primary account as warranted.

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

**Statement of Net Assets:**

Cash and Investments	\$ 372,208
Cash and Investments- Restricted	<u>88,379</u>
<b>Subtotal</b>	<b>460,587</b>

**Statement of Fiduciary Net Assets:**

Cash and Investments	
Pension Trust Fund	1,850,787
Agency Fund	<u>33,210</u>
<b>Total</b>	<b><u><u>\$ 2,344,584</u></u></b>

Deposits-County/Agency	\$ 242,702
Investments-County/Agency	251,095
Pension Deposits	62,074
Pension Investments	<u>1,788,713</u>
<b>Total</b>	<b><u><u>\$ 2,344,584</u></u></b>

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

The carrying amount of the County's deposits at December 31, 2010 was \$ 242,702 and the bank balance was \$ 241,464.

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

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to cover collateral securities that are in the possession of an outside entity. Interest bearing deposits with banks are insured by the FDIC in the amount of \$ 250. Non-interest bearing deposits are insured by the FDIC at full value. The State Deposit Guarantee Fund insures deposits up to a total of \$ 400 per entity, not per banking institution. The County does not have a deposit policy for custodial credit risk. Of the \$ 241,464 of deposits with financial institutions, \$ 2,428 was covered by Federal depository insurance and State governmental insurance, subject to availability of funds in the State's Deposit Guarantee Fund and \$ 237,410 was collateralized with government securities

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

held in a separate financial institution in the County's name, and \$ 1,626 was uninsured, uncollateralized, or exposed to custodial credit risk.

#### **Investments – County/Agency**

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

The primary objectives of the County's Statement of Investment Policies 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.

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

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

As of December 31, 2010 the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasury Bonds	\$ 14,640
U.S. Treasury Inflation Protected Bonds	10,458
U.S. Treasury Notes	18,288
U.S. Treasury Bills	200
U.S. Agency Fixed Rate Securities	51,431
U.S. Agency Guaranteed Adjustable Rate Securities	14,518
GNMA Fixed Rate Securities	16,374
GNMA Guaranteed Adjustable Rate Securities	2,525
Small Business Administration Guaranteed Adjustable Rate Securities	3,641
Municipal Fixed Rate Securities	4,772
Treasury Mutual Fund	20,689
Corporate Government Guaranteed Notes	33,452
Corporate Asset Backed Securities	4,910
Corporate Certificates of Deposit	1,241
Corporate Bonds	1,895
Corporate Notes	10,316
Futures Hedge Contract with Commodities Broker	208
Certificates of Deposit	16,992
Money Market Cash Equivalents	24,545
<b>Total</b>	<b><u>\$ 251,095</u></b>

In its normal course of operations, the Transit System enters into futures contracts for heating oil as a hedge for its diesel fuel purchases. The aggregate fair value of these hedging derivative instruments in asset positions at December 31, 2010 was \$ 208. 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 \$ 408 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 – County/Agency

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

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

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

As of December 31, 2010, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Investment Maturities (In Years)</u>				
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
U.S. Treasury Bonds	\$ 14,640	\$ 1,002	\$ 13,638	\$ -	\$ -
U.S. Treasury Inflation Protected Bonds	10,458	3,623	5,620	1,215	-
U.S. Treasury Notes	18,288	9,989	6,665	1,643	-
U.S. Treasury Bills	200	200	-	-	-
U.S. Agency Fixed Rate Securities	51,431	12,057	38,746	-	628
U.S. Agency Guaranteed Adjustable Rate Securities	14,518	-	1,067	13,451	-
GNMA Fixed Rate Securities	16,374	-	6,828	336	9,210
GNMA Guaranteed Adjustable Rate Securities	2,525	-	-	2,525	-
Small Business Administration Guaranteed Adjustable Rate Securities	3,641	-	1,197	2,444	-

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

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

<u>Investment Type</u>	<u>Investment Maturities (In Years)</u>				
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Municipal Fixed Rate Securities	\$ 4,772	\$ 450	\$ 3,817	\$ 505	\$ -
Treasury Mutual Fund	20,689	20,689	-	-	-
Corporate Government Guaranteed Notes	33,452	-	24,653	8,799	-
Corporate Asset Backed Securities	4,910	981	3,929	-	-
Corporate Certificates of Deposit	1,241	-	1,241	-	-
Corporate Bonds	1,895	-	1,895	-	-
Corporate Notes	10,316	1,744	8,572	-	-
Futures Hedge Contract with Commodities Broker	208	208	-	-	-
Certificates of Deposit	16,992	8,292	8,700	-	-
Money Market Cash Equivalents	24,545	24,545	-	-	-
<b>Total</b>	<b>\$ 251,095</b>	<b>\$ 83,780</b>	<b>\$ 126,568</b>	<b>\$ 30,909</b>	<b>\$ 9,838</b>

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Moody's</u>	
		<u>Standard &amp; Poor's</u>	<u>Investor Service</u>
U.S. Treasury Bonds	\$ 14,640	AAA	AAA
U.S. Treasury Inflation Protected Bonds	10,458	AAA	AAA
U.S. Treasury Notes	18,288	AAA	AAA
U.S. Treasury Bills	200	AAA	AAA
U.S. Agency Fixed Rate Securities	50,462	AAA	AAA
U.S. Agency Fixed Rate Securities	969	NR	AAA
U.S. Agency Guaranteed Adjustable Rate Securities	14,518	AAA	AAA
GNMA Fixed Rate Securities	16,374	AAA	AAA
GNMA Guaranteed Adjustable Rate Securities	2,525	AAA	AAA
Small Business Administration Guaranteed Adjustable Rate Securities	3,641	AAA	AAA
Municipal Fixed Rate Securities	634	AA	NR

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard &amp; Poor's</u>	<u>Moody's Investor Service</u>
Municipal Fixed Rate Securities	\$ 590	AA+	NR
Municipal Fixed Rate Securities	1,688	AA	AA2
Municipal Fixed Rate Securities	450	NR	NR
Municipal Fixed Rate Securities	1,410	NR	AAA
Treasury Mutual Fund	20,689	AAA	AAA
Corporate Government Guaranteed Notes	32,688	AAA	AAA
Corporate Government Guaranteed Notes	764	AA-	AA1
Corporate Asset Backed Securities	2,243	AAA	AAA
Corporate Asset Backed Securities	736	AAA	NR
Corporate Asset Backed Securities	756	NR	AAA
Corporate Asset Backed Securities	674	NR	AAA
Corporate Asset Backed Securities	501	NR	AAA
Corporate Certificates of Deposit	996	N/A	N/A
Corporate Certificates of Deposit	245	N/A	A2
Corporate Bonds	1,895	AA+	AA2
Corporate Notes	2,361	A+	AA3
Corporate Notes	707	A+	AA1
Corporate Notes	3,125	AA+	AA2
Corporate Notes	1,053	A	A2
Corporate Notes	1,037	AA-	A1
Corporate Notes	1,042	A	A3
Corporate Notes	490	AA	AA1
Corporate Notes	501	AA-	NR
Futures Hedge Contract with Commodities Broker	208	N/A	N/A
Certificates of Deposit	13,992	N/A	N/A
Certificates of Deposit	3,000	NR	NR
Money Market Cash Equivalents	22,736	AAA	AAA
Money Market Cash Equivalents	1,809	N/A	N/A
<b>Total</b>	<b><u><u>\$ 251,095</u></u></b>		

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

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

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

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

percentage of the portfolio that may be invested in each type of investment. The following percentage ranges of portfolio investments apply to the investment categories currently allowed by Wisconsin Statute:

- Time and other Money Market deposits of banks, savings banks, trust companies, savings and loans, credit unions, regulated by the Securities and Exchange Commission. Direct Investment in public depository institutions and securities will be further limited to a maximum investment, per institution at any one time of \$250, 000 unless an acceptable form of collateral, surety or other guarantee exists assuring the principal repayment to Milwaukee County. Certificate of Deposit Account Registry Service (CDARS) will have a maximum limit of \$50 million. 0 - 60%
- U. S. Treasury, GNMA, Federal Home Loan Mortgage and any other agency/instrumentality securities that are explicitly guaranteed by the federal government. 0 - 100%
- Agency Instrumentalities:

  1. Securities issued by the Federal National Mortgage Association, Fannie Mae, and Federal Home loan Mortgage Corp. – Freddie Mac. 0 - 30% per agency and 0-60% total
  2. Other agency/instrumentality securities (includes securities issued by the Federal Home Loan Bank, Federal Farm Credit Banks, Small Business Administration and others. 0 - 15% per agency and 0-30% total
- Local Government Pooled Investment Fund of the State Investment Board. 0 - 50%
- Repurchase Agreements with public depository institutions (only) and where specific and appropriate collateral is provided. 0 - 50%
- Corporate securities, including commercial paper. Each Corporate security must have an AAA or AA rating or whichever is the highest or second highest rating category assigned by Standard & Poors, Moody's Investor Service or another similar nationally recognized ratings agency. 0 - 15% of the total investment  
0 - 5% per issuer
- All other security types, when and if authorized in the future by amendment to Wisconsin statute. 0 - 25%

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



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

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

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

At December 31, 2010, 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, 2010 was \$ 62,074 and the bank balance was \$ 63,674.

#### **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, 2010, all deposits with banks are fully insured by the Federal Depository Insurance Corporation or the State Deposit Guarantee Fund. The Pension Trust Fund does not have a formal policy pertaining to custodial credit risk. However, substantially all assets of the Pension Trust Fund are held in its name.

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

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, 2010 the Pension Trust Fund had the following investments:

Investment Type:	<u>Fair Value</u>
Domestic Common and Preferred Stocks	\$ 443,570
Long / Short Hedge Funds	190,166
Corporate Bonds and Convertible Debentures	347,666
International Common and Preferred Stocks	351,786
Real Estate Investments Trusts	95,307
Infrastructure	129,472
Federal Agency and Mortgage-Backed Certificates	116,572
U.S. Government and State Obligations	78,258
International Fixed Income	10,815
Private Equity	25,101
<b>Total</b>	<b>\$ <u>1,788,713</u></b>

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

Custodial credit risk is the risk that, in the event a financial institution or counterparty fails, the Retirement System will not be able to recover the value of its deposits, investments or securities. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the Retirement System's name and are held by the counterparty. No formal policy exists on custodial risk. However, substantially all assets of the Retirement System are held in its name. The Retirement System did not own any repurchase agreements as of December 31, 2010. As of December 31, 2010 all deposits with banks are fully insured by the Federal Depository Insurance Corporation or the State Deposit Guarantee Fund.

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

As of December 31, 2010 the Retirement System had the following Option-Adjusted Durations for the fixed income investments:

<u>Fixed Income Sector</u>	<u>Fair Value</u>	<u>Option Adjusted Duration (In Years)</u>	<u>Fixed Income Sector</u>	<u>Fair Value</u>	<u>Option Adjusted Duration (In Years)</u>
ABS-Car Loan	\$ 2,219	0.88	Insurance	\$ 679	6.20
ABS-Equipment	1,453	0.94	International Corporate Bonds	124	3.55
ABS-Home Equity	2,320	0.62	Materials	169	3.34
Automobiles & Components	129	2.45	Mining	155	4.78
Banking & Finance	21,020	4.59	News / Media	968	7.23
BSDT Reserve Deposit Accts.	758	0.07	Oil & Gas	1,500	7.22
Capital Goods	187	1.95	Other Corporate Bonds	627	5.55
Chemicals	128	6.82	Pvt Placements - MBS	475	2.87
CMO-Conduit	10,305	3.65	Pvt Placements - More than 1 yr	6,915	5.06
CMO-U.S. Agencies	3,216	6.59	Provincials (Canadian)	262	6.45
CMO-Comm/Corp	818	-0.15	Retail	691	9.66
Commingled Fds Cash Equivalents	56,875	0.08	Taxable Municipals	382	11.60
FHLMC Multiclass	34,650	1.55	Technology	848	6.35
FHLMC Pools	10,541	1.87	Transportation	926	6.28
FNMA Pools	28,180	1.93	Treasury Bills-Less Than 1 Year	3,810	0.57
FNMA REMIC	32,220	2.07	U.S. Agencies	3,848	5.69
Food Beverage & Tobacco	102	5.33	U.S. Governments	78,258	5.97

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

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

	Fair	Option		Fair	Option
	Value	Adjusted		Value	Adjusted
<u>Fixed Income Sector</u>		Duration	<u>Fixed Income Sector</u>		Duration
		(In Years)			(In Years)
Food Products	\$ 815	5.45	Utility-Electric	\$ 4,454	5.40
GNMA Multi Family Pools	85	1.34	Utility-Gas	259	3.87
GNMA Single Family Pools	2,340	2.84	Utility-Telephone	3,186	6.61
Health Care	106	2.78	Whole Loan-CMO	24,430	2.79
Household Products	13	6.05	Whole Loan - Re-securitization	73	0.73
Industrial	6,212	5.83	Yankee Bonds	196	2.30
			Other*	266,826	
<b>Sub-total</b>	<b>\$ 214,692</b>		<b>Sub-total</b>	<b>\$ 400,061</b>	
			<b>Total</b>	<b>\$ 614,753</b>	

\* Represents \$ 262,843 in units of participation, \$ 1,124 in FNMA REMIC bonds, \$ 369 in FHLMC pools, \$ 599 in CMO's and \$ 1,891 in Whole Loans 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 Investors Services ("Moody's"), Standard and Poor ("S & P") and Fitch Ratings ("Fitch's"). With the exception of the Loomis Sayles - High Yield and the Mellon Capital Management Aggregate Bond portfolios, bonds purchased and owned in each portfolio must have a minimum quality rating of Baa3 (Moody's) or BBB- (S & P or Fitch's). The average quality of each portfolio must be A or better. For Loomis Sayles - High Yield, bonds must have a minimum quality rating of B3 (Moody's) or B- (S & P or Fitch's) at the time of purchase. The fixed income securities for the Mellon Capital Management Aggregate Bond portfolio should have a minimum quality rating of A, with the exception of 15% of the portfolio, which may have a minimum quality rating of BBB.

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

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

The credit quality ratings of investments in fixed income securities by Moody's, a nationally recognized statistical rating agency, as of December 31, 2010 are as follows:

<u>Moody's Quality Ratings</u>	<u>Fair Value</u>
AAA	\$ 20,350
AA1	2,109
AA2	5,419
AA3	6,156
A1	9,609
A2	9,727
A3	8,255
BAA1	8,015
BAA2	5,843
BAA3	1,805
BA1	507
BA2	35
BA3	155
B1	-
B2	178
B3	164
CAA1	-
CAA2	231
CAA3	219
CA	688
C	-
NR	16,172
<b>Total Credit Risk Fixed Income Securities</b>	<b>\$ 95,637</b>
U.S. Government and Agencies	194,829
Units of Participation (Not Rated)	262,843
<b>Total Investment in Fixed Income</b>	<b>\$ 553,309</b>

Of the \$ 16.2 million not rated by Moody's as of December 31, 2010, \$ 15.4 million is rated by Standard & Poor's as investment grade. Moody's quality rating of BAA3 or above is considered investment grade. Another \$0.1 million was rated by Standard & Poor's but below investment grade. \$ 0.7 million is also not rated by Standard & Poor's.

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

#### Concentration of Credit Risk-Investments-Pension Trust Fund

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

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

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

Its exposure to foreign currency as of December 31, 2010 is as follows:

<b>Current Unit</b>	<b>Equity and Private Equity</b>	<b>Fixed Income and Conv Deb</b>	<b>Cash and Cash Equivalents</b>	<b>Total</b>
Australian Dollar	\$ 1,710	\$ -	\$ -	\$ 1,710
British Pound Sterling	923	-	-	923
Canadian Dollar	358	-	-	358
Euro Currency Unit	1,109	-	-	1,109
Hong Kong Dollar	2,317	-	-	2,317
Japanese Yen	2,348	-	-	2,348
Norwegian Krone	57	-	-	57
Singapore Dollar	1,033	-	-	1,033
Swedish Krona	128	-	-	128
Swiss Franc	113	-	-	113
<b>Totals</b>	<b>\$ 10,096</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,096</b>

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

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## Note 4- Receivables

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

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Receivables:</b>					
Accounts	\$ 32,284	\$ 144	\$ 2,819	\$ -	\$ 35,247
Taxes:					
Current Levy	270,386	-	-	-	270,386
Delinquent	19,792	-	-	-	19,792
Interest	8,233	-	-	-	8,233
Notes	339	611	-	-	950
Other	12,301	-	109	6	12,416
Due from Other Governments	<u>42,650</u>	<u>-</u>	<u>1,347</u>	<u>-</u>	<u>43,997</u>
Gross Receivables	385,985	755	4,275	6	391,021
Less: Allowance for Uncollectibles	<u>(11,737)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,737)</u>
<b>Net Total Receivables</b>	<b><u>\$ 374,248</u></b>	<b><u>\$ 755</u></b>	<b><u>\$ 4,275</u></b>	<b><u>\$ 6</u></b>	<b><u>\$379,284</u></b>

Of the delinquent taxes receivable of \$ 19,792, \$ 7,198 are not expected to be collected within one year.

At December 31, 2010 accounts receivable of the Enterprise funds are as follows:

	<u>Airport</u>	<u>Transit System</u>	<u>Total</u>
<b>Receivables:</b>			
Accounts	\$ 3,354	\$ 59	\$ 3,413
Other	79	2,261	2,340
Due from Other Governments	<u>5,486</u>	<u>19,311</u>	<u>24,797</u>
<b>Total Receivables</b>	<b><u>\$ 8,919</u></b>	<b><u>\$ 21,631</u></b>	<b><u>\$ 30,550</u></b>

All amounts are expected to be collected within one year. As of December 31, 2010 no amounts are deemed uncollectible.

## Note 4 - Receivables (Continued)

The gross amount of notes receivable consisted of the following at December 31, 2010:

General Fund	\$ 339
Debt Service Fund	611
<b>Total</b>	<b><u>\$ 950</u></b>

<b>Amounts Due Within One Year</b>	<b><u>\$ 950</u></b>
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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:

2010 Property Tax Levy	\$ 270,655
Delinquent Tax Receivables	9,288
State and Federal Revenue Unavailable for Current Expenditures	5,446
Housing Loan Receivables	4,635
Other Unearned Revenue	2,840
Department for Family Care Unearned Revenue	79,792
Deferred Credits - Public Works Services	246
<b>Total Deferred Revenue</b>	<b><u>\$ 372,902</u></b>
Less: Amounts Earned but Not Available	(6,704)
<b>Net Unearned Revenue</b>	<b><u>\$ 366,198</u></b>

### Unearned Revenue - Business-Type Activities:

Airport - Lease Revenue	\$ 10,582
Deferred Credits - Transit	3,500
<b>Total Unearned Revenue</b>	<b><u>\$ 14,082</u></b>

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## Note 5 - Capital Assets

### Primary Government

The following is a summary of the changes in capital assets for the fiscal year ended December 31, 2010.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
<b>Capital Assets, not being Depreciated:</b>				
Land	\$ 59,303	\$ -	\$ -	\$ 59,303
Construction in progress	19,246	38,026	(15,907)	41,365
<b>Total Capital Assets, not being Depreciated</b>	<b><u>78,549</u></b>	<b><u>38,026</u></b>	<b><u>(15,907)</u></b>	<b><u>100,668</u></b>
<b>Capital Assets, Being Depreciated</b>				
Land Improvements	236,373	3,704	(297)	239,780
Buildings	599,513	6,877	(83)	606,307
Fixed Equipment Buildings	47,241	2,505	-	49,746
Infrastructure	163,833	4,062	(3,633)	164,262
Machinery and Equipment	88,828	5,023	(618)	93,233
Vehicles and Related Equipment	59,912	9,771	(4,532)	65,151
Furniture and Fixtures	5,883	312	(37)	6,158
<b>Total Capital Assets, Being Depreciated</b>	<b><u>1,201,583</u></b>	<b><u>32,254</u></b>	<b><u>(8,062)</u></b>	<b><u>1,224,637</u></b>
<b>Less: Accumulated Depreciation</b>				
Land Improvements	(129,612)	(7,575)	297	(136,890)
Buildings	(328,525)	(15,931)	78	(344,378)
Fixed Equipment Buildings	(29,768)	(2,389)	-	(32,157)
Infrastructure	(68,362)	(7,971)	3,633	(72,700)
Machinery and Equipment	(65,661)	(6,439)	(197)	(72,297)
Vehicles and related Equipment	(26,317)	(2,569)	4,272	(24,614)
Furniture and Fixtures	(801)	(98)	5	(894)
<b>Total Accumulated Depreciation</b>	<b><u>(649,046)</u></b>	<b><u>(42,972)</u></b>	<b><u>8,088</u></b>	<b><u>(683,930)</u></b>
<b>Net Capital Assets Being Depreciated</b>	<b><u>552,537</u></b>	<b><u>(10,718)</u></b>	<b><u>(1,112)</u></b>	<b><u>540,707</u></b>
<b>Governmental Activities Capital Assets- Net</b>	<b><u>\$ 631,086</u></b>	<b><u>\$ 27,308</u></b>	<b><u>\$ (17,019)</u></b>	<b><u>\$ 641,375</u></b>

Governmental activities capital assets, net of accumulated depreciation, at December 31, 2010 are comprised of the following:

General Capital Assets, Net	\$ 631,392
Internal Service Fund Capital Assets, Net	9,983
<b>Total Capital Assets, Net</b>	<b><u>\$ 641,375</u></b>

## Note 5 - Capital Assets (Continued)

### Primary Government (Continued)

Depreciation was charged to governmental functions as follows:

#### Governmental Activities:

Legislative and Executive and Staff	\$	6,023
Courts and Judiciary		179
General Governmental Services		28
Public Safety		6,011
Public Works and Highways		13,716
Human Services		4,259
Parks, Recreation and Culture		<u>12,756</u>
<b>Total</b>	\$	<b><u>42,972</u></b>

The following is a summary of changes in capital assets for business-type activities for the year ended December 31, 2010.

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
<b>Business-type Activities</b>				
<b>Capital Assets, not being Depreciated</b>				
Land	\$ 21,367	\$ -	\$ -	\$ 21,367
Construction in progress	<u>25,012</u>	<u>17,849</u>	<u>(21,792)</u>	<u>21,069</u>
<b>Total Capital Assets, not being Depreciated</b>	<b><u>46,379</u></b>	<b><u>17,849</u></b>	<b><u>(21,792)</u></b>	<b><u>42,436</u></b>
<b>Capital Assets, Being Depreciated</b>				
Land Improvements	170,746	5,800	-	176,546
Buildings	169,365	15,173	-	184,538
Fixed Equipment Buildings	178,460	10,245	-	188,705
Machinery and Equipment	15,100	3,114	-	18,214
Vehicles and related Equipment	137,879	35,254	-	173,133
Furniture and Fixtures	<u>3,459</u>	<u>113</u>	<u>-</u>	<u>3,572</u>
<b>Total Capital Assets, Being Depreciated</b>	<b><u>675,009</u></b>	<b><u>69,699</u></b>	<b><u>-</u></b>	<b><u>744,708</u></b>
<b>Less: Accumulated Depreciation</b>				
Land Improvements	(96,447)	(5,968)	-	(102,415)
Buildings	(109,436)	(3,139)	-	(112,575)
Fixed Equipment Buildings	(35,712)	(7,721)	-	(43,433)
Machinery and Equipment	(8,353)	(2,019)	-	(10,372)
Vehicles and Related Equipment	(104,172)	(9,124)	-	(113,296)
Furniture and Fixtures	<u>(1,798)</u>	<u>(268)</u>	<u>-</u>	<u>(2,066)</u>
<b>Total Accumulated Depreciation</b>	<b><u>(355,918)</u></b>	<b><u>(28,239)</u></b>	<b><u>-</u></b>	<b><u>(384,157)</u></b>
<b>Net Capital Assets Being Depreciated</b>	<b><u>319,091</u></b>	<b><u>41,460</u></b>	<b><u>-</u></b>	<b><u>360,551</u></b>
<b>Business-type Activities Capital Assets- Net</b>	<b><u>\$ 365,470</u></b>	<b><u>\$ 59,309</u></b>	<b><u>\$ (21,792)</u></b>	<b><u>\$ 402,987</u></b>

## Note 5 - Capital Assets (Continued)

### Primary Government (Continued)

Depreciation was charged to business-type activities as follows:

**Business-type Activities:**

Airport	\$	16,714
Transit System		<u>11,525</u>
<b>Total</b>	<b>\$</b>	<b><u>28,239</u></b>

### Discretely Presented Component Units

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

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

Construction in progress	\$	50
Building additions and improvements		19,221
Furniture, equipment and exhibits improvements		10,283
Less: Accumulated depreciation		<u>(12,426)</u>
<b>Capital Assets, Net</b>	<b>\$</b>	<b><u>17,128</u></b>

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

Building Improvements	\$	16,988
Parking Structure and Improvements		5,173
Furniture and Fixtures		84
Equipment and Computers		1,909
Construction in Progress		7
Less: Accumulated Depreciation		<u>(12,445)</u>
<b>Capital Assets, Net</b>	<b>\$</b>	<b><u>11,716</u></b>

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## Note 5 - Capital Assets (Continued)

### Construction Commitments

Following is a list of major capital projects either started or continuing in 2010. These reflect projects for both governmental funds and proprietary funds.

<u>Number</u>	<u>Project Description</u>	2010	2010
		<u>Appropriations</u>	<u>Expenditures &amp; Encumbrances</u>
<b><u>Highways and Bridges (WH)</u></b>			
WH010	County Highway Action Program (CHAP)	\$ 11,695 *	\$ 1,069
WH020	Major Rehabilitation	1,102 *	388
WH030	Bridge Replacement Program	801 *	50
WH080	Bridge Rehabilitation Program	302 *	320
WH088	North Shop Salt Shed Replacement	300	396
<b><u>Mass Transit (WT)</u></b>			
WT026	Bus Replacement Program (35 buses)	13,203 *	46,261
WT027	Fare Box Renovation	7,000	26
WT037	MCTS Maintenance Garage Parking Lot Resurfacing	261	6
WT040	New Annunciators	2,200	-
WT044	Replace Roof at FDL Maintenance	301	19
WT045	Replace Bus Vacuum at Fond du Lac Garage	576	488
<b><u>Airports (WA)</u></b>			
WA022	GMIA - Abrasive Storage Building - Design	2,067 *	212
WA064	GMIA - Phase II Mitigation Program	17,478 *	2,633
WA072	LJT - R/W and TW Rehabilitation	825 *	1
WA094	GMIA – Runway Safety Area Improvements - NEPA Compliance	37,537 *	37,501
WA096	GMIA - Parking Structure Relighting	1,616 *	138
WA122	GMIA – Airfield Pavement Rehabilitation	1,881 *	1,113
WA123	GMIA – Runway Safety Improvements	600 *	479
WA125	GMIA - Security and Wildlife Deterrent Perimeter Fencing	509 *	13
WA135	GMIA - Runways 1L-19R and 7R-25L Intersect Repave Study	6,000 *	358
WA136	LJT - Terminal Parking Lot Repaving and Relighting	512	279
WA142	LJT - Runway 15L - 33R Extension - Environment Documentation	200	2
WA148	GMIA - Fleet Maintenance Expansion	3,366 *	406
WA149	GMIA - Snow Equipment Storage Building	13,272 *	384
WA151	GMIA - Part 150 Study - Noise Monitor System	1,850 *	-
WA152	GMIA - Part 150 Study - Vacant Land Acquisition	1,040 *	-
WA157	GMIA - Gate D52 Modifications	2,000	-
WA158	GMIA - Deicer Pads	300	-
WA160	GMIA - Narrowband Conversion	2,000	950

## Note 5 - Capital Assets (Continued)

### Construction Commitments (Continued)

<u>Number</u> <u>Project Description</u>	2010	2010
	<u>Appropriations</u>	<u>Expenditures &amp; Encumbrances</u>
<b><u>Environmental Services (WV)</u></b>		
WV012 Pond and Lagoon Demonstration Projects	\$ 186 *	\$ 41
WV014 Dretzka Park Groundwater and Soil Remediation	330	2
WV016 NR216 Stormwater TSS Controls	503	-
<b><u>Department of Parks, Recreation and Culture (WP)</u></b>		
WP057 Dog Parks	250 *	221
WP062 Brown Deer Golf Course Cart Paths	302 *	862
WP063 Estabrook Dam Improvements	2,100	245
WP069 Countywide Play Area Redevelopment Program	2,473 *	2,889
WP090 Aquatic Infrastructure Improvements	1,500 *	565
WP129 Athletic Fields and Courts	2,062 *	569
WP131 Oak Leaf Trail Improvements	1,214	17
WP132 Mitchell Park Domes Sound and Security Systems	39 *	551
WP167 Parks Countywide Restroom Renovations	1,234 *	976
WP171 Pool Liners - McCarty Park	242	96
WP172 Parks Infrastructure Improvements	1,323 *	618
WP173 Hoyt Park Aquatic Center	8,030	1,452
WP174 Parks Major Maintenance	750	494
WP178 Pulaski Park Indoor Aquatic Center	3,000 *	189
WP179 Noyes Park Indoor Aquatic Center	3,000 *	94
WP180 Sheridan Park Lighting System Replacement	216	124
<b><u>Museum (WM)</u></b>		
WM003 Electrical Distribution Replacement	408 *	421
WM004 Asphalt - Parking / Loading Dock Area	81	2
WM005 Museum Air Handling and Piping Replacement	867 *	1,850
<b><u>Zoo (WZ)</u></b>		
WZ014 Small Mammal Building HVAC Replacement	52 *	649
WZ037 Zoo Terrace Renovations	118	87
WZ039 Zoomobile Replacement	311	304
WZ040 Polar Bear and Seal Exhibit Shade Structure	207	171
WZ058 Winter Quarters Barn Renovation	301	11
<b><u>DHHS - Behavioral Health Division (WE)</u></b>		
WE033 Behavioral Health Facility	12,596	484

## Note 5 - Capital Assets (Continued)

### Construction Commitments (Continued)

<u>Number</u> <u>Project Description</u>	2010	2010
	<u>Appropriations</u>	<u>Expenditures &amp; Encumbrances</u>
<b><u>Department of Health and Human Services (WS)</u></b>		
WS035 Coogs Building Roof Replacement	\$ 743	\$ 119
<b><u>Courthouse Complex (WC)</u></b>		
WC013 Criminal Justice Center Deputy Workstations	503 *	134
WC027 Courthouse Light Court Window Replacement	857 *	633
<b><u>County Correctional Facility South (WJ)</u></b>		
WJ056 HOC Video Visitation System	435	851
<b><u>Other County Agencies (WO)</u></b>		
WO038 Marcus Center HVAC Upgrade	1,013 *	2,224
WO060 Countywide Road Improvement Program	1,726 *	221
WO061 Root River Parkway Drive - 76th to Grange	727 *	1,270
WO067 Holler Park Pavilion Lower Level Restrooms Replacement	176	4
WO069 Underwood Parkway - Schlinger Avenue to Fairview Avenue	537	3
WO070 Milwaukee River Parkway - Silver Spring to Bender	1,100	440
WO098 Legislative Workflow and Public Access Program	116	115
WO106 Fleet Generator / Transfer Switch Replacement	276	165
WO112 Fleet Vehicle and Equipment Program	14,449 *	17,665
WO205 Fiscal Automation Program	452 *	802
WO215 Storage Expansion	409 *	564
WO216 Thin Client	451	7
WO218 Technical Infrastructure Replacement	430 *	513
WO219 Narrowband Conversion	2,040	2
WO444 MCSO - Electronic Medical Records System	2,828	186
WO501 War Memorial Center North Entrance	269 *	232
WO513 War Memorial Center - North Parking Lot	784	662
WO606 Rewire County Facilities	1,216 *	612
WO614 Build Out Ten Radio Sites to Digital	1,761	2
WO870 County Special Assessments	250 *	141
WO950 Milwaukee County Public Art Program	407 *	84
Totals	<u>\$ 208,444</u>	<u>\$ 135,160</u>

\* Project has funding appropriation carryovers from 2009.

## Note 5 - Capital Assets (Continued)

### Construction Commitments (Continued)

<u>Number</u> <u>Project Description</u>	2010 <u>Appropriations</u>
<b><u>2010 Funding Total</u></b>	
Encumbrances and Carryovers from 2009	\$ 159,959
2010 Appropriations	208,444
2010 Transfers	<u>521</u>
Total	<u>\$ 368,924</u>
 <b><u>2010 Appropriations - Funding Source</u></b>	
Reimbursement Revenue	\$ 87,663
Sales Tax Revenue	420
Investment Earnings	391
Miscellaneous Revenue / Sale of Asset	1,389
Private Contributions	6,604
Property Tax Levy	116
PFC Revenue / Airport Reserve	8,488
Bonds	<u>103,373</u>
Total	<u>\$ 208,444</u>

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

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## Note 6 - Interfund Transfers

The composition of interfund transfers as of December 31, 2010 is as follows:

		<b>Transfers From</b>					
		General Fund	Capital Projects Fund	Business Type Airport	Internal Service IMSD	Internal Service DPW	<b>Total</b>
<b>Transfers In</b>	General Fund	\$ -	\$ 47,787	\$ 6,003	\$ 530	\$ 183	<b>\$ 54,503</b>
	Capital Projects	45,584	-	-	-	-	<b>45,584</b>
	Debt Service	89,359	-	-	-	-	<b>89,359</b>
	Special Revenue	-	-	-	-	-	-
	Internal Service:						
	Risk	906	-	-	-	-	<b>906</b>
	DPW	994	-	-	-	-	<b>994</b>
	Business-type:						
	Airport	-	-	-	-	-	-
	Transit	20,263	-	-	-	-	<b>20,263</b>
<b>Total</b>	<b>\$157,106</b>	<b>\$ 47,787</b>	<b>\$ 6,003</b>	<b>\$ 530</b>	<b>\$ 183</b>	<b>211,609</b>	
<b>Less: Government - wide eliminations</b>							<b>(197,349)</b>
<b>Total Transfers - Government-wide Statement of Activities</b>							<b>\$ 14,260</b>

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

## Note 7- Leases

### Operating Leases- Primary Government

The County leases facilities, office equipment, and vehicles. Total costs for such leases were \$ 2,426 for the year ended December 31, 2010.



## Note 7- Leases (Continued)

### Operating Leases- Primary Government (Continued)

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

<u>Year Ending</u> <u>December 31</u>	<u>Amount</u>
2011	\$ 1,007
2012	963
2013	707
2014	704
2015	334
<b>Total</b>	<b><u>\$ 3,715</u></b>

### Capital Leases-Primary Government

In 2007, the County entered into a Guaranteed Energy Savings Performance Contract to improve the County's energy efficiency and promote environmental sustainability. The County is leasing equipment for a period of 10 years and is required to make annual lease payments during the life of the contract. At the end of the lease term, ownership of the equipment will transfer to the County. The gross amount of these assets under capital leases is \$ 5,980 and is presented in the capital assets in the governmental activities. In 2010, the County entered into a commitment for a capital lease from Banc of America in the amount of \$ 7,515. The County has expended \$1,138 under this commitment as of December 31, 2010.

In prior years, the County entered into capital lease agreements for various Airport vehicles and equipment. At the end of the lease term, ownership of the equipment will transfer to the County. The gross amount of these assets under capital leases is \$ 1,298 and is presented in the capital assets in the business-type activities.

The assets acquired through capital leases are as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
Asset:		
Machinery and Equipment	\$ 5,980	\$ -
Vehicles and Related Equipment	-	1,298
Less: Accumulated Depreciation	(1,206)	(908)
<b>Total</b>	<b><u>\$ 4,774</u></b>	<b><u>\$ 390</u></b>

## Note 7- Leases (Continued)

### Capital Leases-Primary Government (Continued)

The future minimum lease payments and the net present value on these minimum lease payments as of December 31, 2010, are as follows:

Year Ending December 31	Governmental Activities	Business-type Activities
2011	\$ 1,509	\$ 204
2012	1,512	151
2013	578	78
2014	578	-
2015	578	-
2016-2020	1,245	-
Sub-totals	6,000	433
Less: Amount Representing Interest	(1,226)	( 43)
<b>Present Value of Future Minimum Lease Payments</b>	<b>\$ 4,774</b>	<b>\$ 390</b>

## Note 8 - Long-term Liabilities

### Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2010 was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Payments &amp; Adjustments</u>	Ending <u>Balance</u>	<u>Due in One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable					
General Obligation Bonds	\$ 829,516	\$ 72,182	\$ (56,183)	\$ 845,515	\$ 58,524
Add (Subtract) Deferred Amounts for:					
Premium	4,730	-	(1,191)	3,539	-
Discount	(633)	-	160	(473)	-
Loss on Refunding	(4,611)	-	1,381	(3,230)	-
Accretion	7,665	-	(3,211)	4,454	-
Sub-totals Bonds Payable	836,667	72,182	(59,044)	849,805	58,524
Other Liabilities					
Unfunded Claims and Judgments	2,000	500	(500)	2,000	1,000
Landfill Post-closure Costs	3,530	130	(280)	3,380	130
Pollution Remediation Costs	496	180	(188)	488	308

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

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

	<u>Beginning</u>		<u>Payments &amp;</u>	<u>Ending</u>	<u>Due in</u>
	<u>Balance</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance</u>	<u>One Year</u>
Compensated Absences	\$ 49,127	\$ 24,771	\$ (21,625)	\$ 52,273	\$ 25,073
Risk Claims	10,894	9,863	(6,680)	14,077	9,830
Other Post Employment Benefits	164,855	103,499	(65,190)	203,164	-
Capital Leases	4,077	1,138	(441)	4,774	919
Sub-total Other Liabilities	234,979	140,081	(94,904)	280,156	37,260
<b>Total Governmental Activities Long-term Liabilities</b>	<b>\$ 1,071,646</b>	<b>\$ 212,263</b>	<b>\$ (153,948)</b>	<b>\$ 1,129,960</b>	<b>\$ 95,784</b>
<b>Business-type Activities:</b>					
Bonds Payable					
General Obligation Bonds	\$ 29,678	\$ 10,803	\$ (5,348)	\$ 35,133	\$ 2,797
Revenue Bonds	184,040	83,160	(62,960)	204,240	8,210
Add (Subtract) Deferred Amounts for:					
Premium	2,487	4,861	(357)	6,991	-
Discount	(2,633)	(679)	872	(2,440)	-
Loss on Refunding	(292)	(172)	257	(207)	-
Accretion	230	-	15	245	-
Sub-totals Bonds Payable	213,510	97,973	(67,521)	243,962	11,007
Other Liabilities					
Compensated Absences	12,678	5,087	(6,258)	11,507	5,979
Risk Claims	8,590	3,374	(264)	11,700	5,484
Other Post Employment Benefits - Airport	5,686	2,374	-	8,060	-
Capital Leases	381	284	(275)	390	180
Sub-total Other Liabilities	27,335	11,119	(6,797)	31,657	12,375
<b>Total Business-Type Activities Long-term Liabilities</b>	<b>\$ 240,845</b>	<b>\$ 109,092</b>	<b>\$ (74,318)</b>	<b>\$ 275,619</b>	<b>\$ 23,382</b>

Compensated Absences consist of the following:

	<u>Beginning</u>		<u>Payments &amp;</u>	<u>Ending</u>	<u>Due in</u>
	<u>Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Balance</u>	<u>One Year</u>
<b>Governmental Activities:</b>					
Retirement sick pay payout	\$ 29,593	\$ 299	\$ 742	\$ 28,543	\$ 3,295
Vacation time earned	16,848	19,707	159	19,866	18,188
Overtime earned	1,041	1,332	-	1,332	1,237
Holiday pay	1,645	2,532	-	2,531	2,353
<b>Total Compensated Absences -</b>					
<b>Governmental Activities</b>	<b>\$ 49,127</b>	<b>\$ 23,870</b>	<b>\$ 901</b>	<b>\$ 52,273</b>	<b>\$ 25,073</b>

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

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

	Beginning			Payments &	Ending	Due in
	Balance	Additions	Transfers	Adjustments	Balance	One Year
<b>Business-type Activities:</b>						
Retirement sick pay payout	\$ 7,492	\$ 145	\$ -	\$ (1,072)	\$ 6,565	\$ 1,037
Vacation time earned	4,985	4,694	-	(4,985)	4,694	4,694
Overtime earned	133	145	-	(133)	145	145
Holiday pay	68	103	-	(68)	103	103
<b>Total Compensated Absences - Business-type Activities</b>	<b>\$ 12,678</b>	<b>\$ 5,087</b>	<b>\$ -</b>	<b>\$ (6,258)</b>	<b>\$ 11,507</b>	<b>\$ 5,979</b>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end \$ 39,315 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 include accruals for workers compensation and other insurance claims of the Risk Management Fund and Transit System.

Unfunded claims and judgments include estimated costs for outstanding medical, environmental, and other claims. At December 31, 2010, 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 \$ 3,380 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, 2010, the estimated liability for pollution remediation costs totaled \$ 488. These costs are related to cleanup of underground petroleum contamination on County-owned land.

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

### 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.

Bond Issue	Governmental Activities General Obligation Debt					
	Date of Bonds	Final Maturity Date	Interest Rate	Original Indebtedness	Principal Outstanding 12/31/10	Interest to Maturity
General Obligation Refunding Bonds, Series 1993A	10/15/93	12/01/11	5.04%	\$ 56,493	\$ 2,741	\$ 4,825
Refunding Bonds (Taxable), Series 2001A	06/01/01	12/01/11	6.06%	2,610	250	16
Corporate Purpose Refunding Bonds, Series 2001A	10/01/01	12/01/11	3.92%	46,467	2,211	88
General Obligation Corporate Purpose Bonds, Series 2001A	04/01/00	10/01/16	4.40%	37,830	13,733	2,403
General Obligation Corporate Purpose Bonds, Series 2002A	02/01/02	08/01/17	4.20%	36,926	15,969	3,296
General Obligation Refunding Bonds, Series 2003A	07/01/03	08/01/17	3.48%	93,515	93,066	11,141
General Obligation Corporate Purpose Bonds, Series 2003A	02/01/03	08/01/18	3.95%	23,520	12,343	2,902
General Obligation Corporate Purpose Bonds, Series 2004A	02/01/04	08/01/19	3.72%	25,233	17,110	3,601
General Obligation Corporate Purpose Bonds, Series 2005A	11/01/05	12/01/20	4.24%	19,167	17,423	4,672
General Obligation Refunding Bonds, Series 2005B	11/01/05	10/01/15	3.89%	23,660	44,559	5,530
General Obligation Corporate Purpose Bonds, Series 2006A	04/01/06	10/01/21	4.14%	59,675	26,995	8,106
General Obligation Corporate Purpose Bonds, Series 2007A	06/01/07	12/01/22	4.12%	30,776	29,118	8,547
General Obligation Corporate Purpose Bonds, Series 2008A	06/01/08	12/01/23	3.93%	32,422	29,170	9,263
2007 State Trust Fund Loan	09/01/07	03/15/17	5.25%	1,000	838	188

## 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 12/31/10	Interest to Maturity	
2009 Taxable General Obligation, Series 2009A	04/02/09	12/01/28	6.36%	\$ 265,000	\$ 254,975	\$ 177,061	
2009 Taxable Pension Notes, Series 2009B	04/02/09	12/01/13	5.52%	135,000	135,000	21,830	
General Obligation Corporate Purpose Bonds, Series 2009C	08/01/09	10/01/24	5.04%	24,139	24,139	13,780	
General Obligation Refunding Bonds, Series 2009D	08/01/09	10/01/13	2.78%	16,789	13,209	190	
General Obligation Corporate Purpose Bonds, Series 2009E	11/15/09	08/01/24	4.87%	24,051	24,051	11,833	
General Obligation Promissory Notes, Series 2009F	11/15/09	08/01/19	2.55%	15,610	14,433	1,719	
2009 State Trust Fund Loan	12/08/09	03/15/19	4.50%	2,000	2,000	505	
Corporate Purpose Bonds, Series 2010A	05/01/10	10/01/25	4.60%	22,725	22,725	10,972	
General Obligation Promissory Notes, Series 2010B	05/01/10	10/01/18	2.37%	12,325	12,325	1,542	
Corporate Purpose Bonds, Series 2010C	12/21/10	10/01/26	4.78%	27,362	27,362	14,336	
General Obligation Promissory Notes, Series 2010D	12/21/10	10/01/20	2.82%	9,770	9,770	1,643	
<b>Total Governmental Activities - General Obligation Debt</b>					<b>\$ 845,515</b>	<b>\$ 319,989</b>	
<b>Premium</b>					3,539		
<b>Discount</b>					(473)		
<b>Loss</b>					(3,230)		
<b>Accretion</b>					4,454		
<b>Total Governmental Activities - General Obligation Debt, Net</b>					<b>\$ 849,805</b>		
<b>Short - Term</b>					58,524		
<b>Long - Term</b>					791,281		
<b>Total Debt per Statement of Net Assets - Governmental Activities</b>					<b>\$ 849,805</b>		

The ratio of the aggregate indebtedness of all taxing authorities located within the County to equalized value of the taxable property was approximately 5.52% including 1.33% related to direct County indebtedness at December 31, 2010.

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

### Governmental Activities (Continued)

Wisconsin Statutes limit the County's direct general obligation borrowing to an amount equivalent to 5% of the equalized valuation of taxable property. At December 31, 2010 under Wisconsin Statutes, the County could borrow an additional \$ 2,289,527.

At December 31, 2010, the weighted average interest rate of general obligation bonds and notes outstanding was 4.35%.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service Requirements</u>
<u>December 31,</u>			
2011	\$ 58,524	\$ 46,248	\$ 104,772
2012	63,877	39,226	103,103
2013	201,281	36,607	237,888
2014	63,057	26,659	89,716
2015	47,291	24,114	71,405
2016-2020	197,695	91,360	289,055
2021-2024	148,312	46,916	195,228
2025-2028	65,478	8,859	74,339
<b>Total Debt Service</b>	<b><u>\$ 845,515</u></b>	<b><u>\$ 319,989</u></b>	<b><u>\$ 1,165,506</u></b>

On May 1, 2010, the County issued \$22,725 of Taxable General Obligation Corporate Purpose Bonds, series 2010A. Total proceeds of \$22,594 (par amount of bond issue of \$22,725, less Underwriter's discount of \$164 plus accrued interest of \$33) will be used to purchase direct obligations of the United States of America or held in cash. The proceeds will be used to finance essential public purpose projects within the County and to pay the cost of issuing the bonds. The projects were approved based on the County's 2010 Adopted Capital Improvement Budget. The 2010 Bonds have semi-annual interest payments on April 1 and October 1, commencing April 1, 2011. The bonds were recorded in the Governmental Activities column on the Statement of Net Assets.

On May 1, 2010, the County issued \$12,325 of Taxable General Obligation Corporate Purpose Bonds, series 2010B. Total proceeds of \$12,372 (par amount of bond issue of \$12,325, plus bond premium of \$38 plus accrued interest of \$9) will be used to purchase direct obligations of the United States of America or held in cash. The proceeds will be used to finance essential public purpose projects within the County and to pay the cost of issuing the bonds. The projects were approved based on the County's 2010 Adopted Capital Improvement Budget.

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

### Governmental Activities (Continued)

The 2010 Bonds have semi-annual interest payments on April 1 and October 1, commencing April 1, 2011. The bonds were recorded in the Governmental Activities column on the Statement of Net Assets.

On December 21, 2010, the County issued \$38,165 of Taxable General Obligation Corporate Purpose Bonds, series 2010C. Total proceeds of \$37,951 (par amount of bond issue of \$38,165, less Underwriter's discount of \$214) will be used to purchase direct obligations of the United States of America or held in cash. The proceeds will be used to finance essential public purpose projects within the County and to pay the cost of issuing the bonds. The projects were approved based on the County's 2010 Adopted Capital Improvement Budget. The 2010 Bonds have semi-annual interest payments on April 1 and October 1, commencing October 1, 2011. The bonds of \$27,362 and \$10,803 were recorded in the Governmental Activities and the Business-type Activities columns on the Statement of Net Assets, respectively.

On December 21, 2010, the County issued \$9,770 of General Obligation Promissory Notes, series 2010D. Total proceeds of \$9,768 (par amount of note issue of \$9,770 less Underwriter's discount of \$2) will be used to purchase direct obligations of the United States of America or held in cash. The proceeds will be used to finance general capital improvement projects within the County and to pay the cost of issuing the notes. The projects were approved based on the County's 2010 Adopted Capital Improvement Budget. The 2010 Bonds have semi-annual interest payments on April 1 and October 1, commencing October 1, 2011. The bonds were recorded in the Governmental Activities column on the Statement of Net Assets.

Major expenditure categories include for all General Obligation Debt issued in 2010 are as follows:

	<u>Bond</u> <u>2010A</u>	<u>Note</u> <u>2010B</u>	<u>Bond</u> <u>2010C</u>	<u>Note</u> <u>2010D</u>	<u>Totals</u>
<b><u>Totals by Category:</u></b>					
Legislative, Executive and Staff	\$ 2,019	\$ 661	\$ -	\$ -	\$ 2,680
Public Safety	-	-	934	-	934
Public Works and Highways	-	6,635	15,787	6,789	29,211
Health and Human Services	15,082	-	741	-	15,823
Parks, Recreation and Culture	4,152	3,453	18,291	1,318	27,214
Other Capital Projects	1,203	1,195	2,270	1,517	6,185
Debt Service	269	381	142	146	938
Totals	<u>\$ 22,725</u>	<u>\$ 12,325</u>	<u>\$ 38,165</u>	<u>\$ 9,770</u>	<u>\$ 82,985</u>



## 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 \$ 208,588 of revenue bonds issued in previous years. Proceeds from the revenue bonds provided financing for capital improvements. The bonds are payable solely from net revenues and deposits made to the Coverage Fund, and are payable through December 1, 2034. The Coverage Fund is equal to 25% of the highest annual revenue bond debt service amount. Net revenues plus Coverage Fund assets are required to cover a minimum of 125% of annual debt service for the revenue bonds. Principal and interest paid for the current year and net revenues plus Coverage Fund assets were \$17,213 and \$27,875, respectively, resulting in net revenues plus Coverage Fund assets of 162% of annual debt service for 2010. The total principal and interest remaining to be paid on the bonds is \$332,345. The principal and interest payment of \$17,213 represents 22% of operating revenues.

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

Bond Issue	Date of bonds	Final Maturity Date	Interest Rate	Original Indebted- ness	Principal Outstanding 12/31/10	Interest to Maturity
General Obligation Refunding Bonds, Series 1993A	10/15/93	12/01/11	5.04%	\$ 1,207	\$ 55	\$ 96
General Obligation Corporate Purpose Bonds, Series 2001A	04/01/00	10/01/16	4.40%	3,495	1,268	222
Airport Refunding Bonds, Series 2001A	10/01/01	12/01/11	4.47%	1,450	145	7
Corporate Purpose Refunding Bonds, Series 2001A	10/01/01	12/01/11	3.92%	3,458	165	7
General Obligation Corporate Purpose Bonds, Series 2002A	02/01/02	08/01/17	4.20%	4,299	1,706	352
General Airport Revenue Bonds, Series 2003A	01/01/03	12/01/22	4.88%	7,125	4,500	1,536
General Obligation Corporate Purpose Bonds, Series 2003A	02/01/03	08/01/18	3.95%	2,430	1,533	360
General Obligation Refunding Bonds, Series 2003A	07/01/03	08/01/17	3.48%	6,510	6,479	776
General Obligation Corporate Purpose Bonds, Series 2004A	02/01/04	08/01/19	3.72%	1,717	1,261	265

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

### Business-type Activities (Continued)

Bond Issue	Business-type Activities General Obligation and Revenue Bond Debt					
	Date of Bonds	Final Maturity Date	Interest Rate	Original Indebted- Ness	Principal Outstanding 12/31/10	Interest to Maturity
General Airport Revenue Bonds, Series 2004A	03/31/04	12/01/29	4.47%	\$ 37,360	\$ 31,710	\$ 16,563
General Obligation Corporate Purpose Bonds, Series 2005A	11/01/05	12/01/20	4.24%	950	777	208
General Obligation Refunding Bonds, Series 2005B	11/01/05	10/01/15	3.89%	3,350	2,501	310
General Airport Revenue Bonds, Series 2005A	12/22/05	12/01/30	4.90%	29,010	28,445	18,984
Airport Refunding Bonds, Series 2005B	12/22/05	12/01/14	3.65%	7,755	3,795	387
General Obligation Corporate Purpose Bonds, Series 2006A	04/01/06	10/01/21	4.14%	819	810	243
Airport Refunding Bonds, Series 2006B	10/01/06	12/01/15	4.08%	5,020	1,795	267
General Airport Revenue Bonds, Series 2006A	11/16/06	12/01/31	4.60%	25,665	23,725	14,894
General Airport Revenue Bonds, Series 2007A	11/15/07	12/01/32	4.60%	13,445	12,560	7,976
General Obligation Corporate Purpose Bonds, Series 2008A	06/01/08	12/01/23	3.93%	185	185	61
General Purpose Bonds, Series 2009C	08/01/09	10/01/24	5.04%	636	636	342
General Obligation Refunding Bonds, Series 2009D	08/01/09	10/01/16	2.00%	461	306	9
General Obligation Corporate Purpose Bonds, Series 2009E	11/15/09	08/01/24	4.87%	6,314	6,314	3,107
General Airport Revenue Bonds, Series 2009A	12/21/09	12/01/32	4.90%	12,690	12,690	8,894
General Airport Revenue Bonds, Series 2009B	12/21/09	12/01/14	3.20%	2,350	1,857	158
Airport Revenue Bonds, Series 2010A	10/14/10	12/01/29	4.30%	31,570	31,570	23,551
Airport Revenue Refunding Bonds, Series 2010B	10/14/10	12/01/23	3.75%	51,590	51,590	17,681
Taxable General Obligation Corporate Purpose Bonds, Series 2010C	12/21/10	10/01/26	4.78%	10,803	10,803	5,660
<b>Total Business-Type - General Obligation Debt/Revenue Bonds</b>					<b>\$ 239,373</b>	<b>\$ 122,974</b>

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

### Business-type Activities (Continued)

Bond Issue	Business-type Activities General Obligation and Revenue Bond Debt					
	Date of bonds	Final Maturity Date	Interest Rate	Original Indebted- ness	Principal Outstanding 12/31/10	Interest to Maturity
Premium					6,991	
Discount					(2,440)	
Loss					(207)	
Accretion					245	
<b>Total Business-Type - General Obligation Debt/Revenue Bonds</b>					<u>\$ 243,962</u>	
Short -Term General					2,797	
Short -Term Revenue					8,210	
Long -Term General					32,577	
Long -Term Revenue					200,378	
<b>Total Debt per Statement of Net Assets - Governmental Activities</b>					<u>\$ 243,962</u>	

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

December 31,	Principal	Interest	Total Debt Service Requirements
2011	\$ 11,007	\$ 11,659	\$ 22,666
2012	11,546	10,791	22,337
2013	12,263	10,270	22,533
2014	12,306	9,733	22,039
2015	12,238	9,184	21,422
2016-2020	60,422	37,402	97,824
2021-2025	59,369	22,497	81,866
2026-2030	46,032	9,949	55,981
2031-2032	14,190	1,489	15,679
<b>Total Debt Service</b>	<u>\$ 239,373</u>	<u>\$122,974</u>	<u>\$ 362,347</u>

### Business-type Activities - Revenue Bonds

On October 14, 2010, the County issued \$ 31,570 of Airport Revenue Bonds, Series 2010A. The 2010 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 on parity with the following County's currently outstanding bonds listed below and any other additional airport revenue

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

### **Business-type Activities – Revenue Bonds (Continued)**

bonds, which may hereafter be issued by the County, as provided in the General Bond Resolution:

- ❖ Series 2000A, dated June 1, 2000 (refunded by Series 2010B bonds)
- ❖ Series 2003A, dated January 1, 2003
- ❖ Series 2004A, dated March 31, 2004
- ❖ Series 2005A, dated December 15, 2005
- ❖ Series 2005B, dated November 1, 2005 (Refunding Bonds)
- ❖ Series 2006A, dated November 16, 2006
- ❖ Series 2006B, dated October 1, 2006 (Refunding Bonds)
- ❖ Series 2007A, dated November 17, 2007
- ❖ Series 2009A, dated December 21, 2009
- ❖ Series 2009B, dated August 1, 2009 (Refunding Bonds)

The 2010 Bonds will not be a general obligation of the County, nor will the County be obligated to levy any taxes in connection with the 2010 Bonds. The 2010 Bonds have semi-annual interest payments on June 1 and December 1, commencing June 1, 2011. The bonds were recorded in the Business-type Activities column on the Statement of Net Assets.

### **Current Refunding**

On October 14, 2010, the County issued \$ 51,590 of Airport Revenue Refunding Bonds, Series 2010B. Total proceeds of \$ 55,525 (par amount of note issue of \$51,590, plus release from existing debt service reserve deposit of \$ 365, plus net original bond premium of \$ 3,570, less cost of issuance of \$ 200, less underwriter's discount of \$ 230) were used to purchase direct obligations of the United States of America or held in cash. Proceeds of \$ 55,095 will be used to refund a portion of the Airport Revenue Bonds, series 2000A. The bonds were recorded in the Business-type activities column on the Statement of Net Assets. As a result, the refunded bonds are considered defeased and the liability have been removed from the accompanying financial statements of the County.

The refunding resulted in a \$ 172 loss to be amortized over the life of the bond issue in accordance with Governmental Accounting Standards Board Statement No. 23, Accounting and Financial Reporting for Refunding of Debt. The advance refunding was undertaken to decrease the total debt service over the next 15 years by \$11,972, and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding debt) of \$7,826.

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

### **Current Refunding**

These bonds have semi-annual interest payments on June 1 and December 1 through 2023. The interest rate is 2.0% for 2011, 5.0% for 2012 through 2020, 4.0% for 2021, and 5.0% for 2022 through 2023.

### **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, 2010, \$ 298 of bonds outstanding is considered defeased.

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

In 2003, the County guaranteed \$ 14,400 of loans for a local corporation. The loans are secured by mortgages and a cash trust of \$ 6,004 on certain buildings. In July 2010 Milwaukee County agreed to transfer the credit assistance agreement to a subsidiary of the parent corporation.

In order to develop the Milwaukee County Research Park, the City of Wauwatosa created the Tax Incremental District #2 (TID) in 1994. In 1997, the Wauwatosa Redevelopment Authority issued redevelopment lease revenue bonds of \$8,860 to fund infrastructure development costs in TID #2. In 2004, the Wauwatosa Redevelopment Authority issued lease revenue bonds of \$ 24,500 for construction of facilities at the Milwaukee County Research Park located in TID #2. In 2007, the Wauwatosa Redevelopment Authority retired \$ 7,100 of principal remaining on the 1997 bonds with redevelopment refunding lease revenue bonds of \$ 6,200. The County has agreed to guarantee the payment of the lease revenue bonds, if the tax increments generated by Tax Incremental District #2 are insufficient to pay principal and interest due on the 2004 and 2007 notes. The total of the 2004 and 2007 redevelopment lease notes outstanding as of December 31, 2010 was \$ 18,875 and \$ 6,200 respectively.

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## Note 9 - Net Assets

### Governmental Activities

Restricted net assets consist of the following:

#### **Governmental Activities**

Net Assets- Restricted for Debt Service	\$	7,332
Net Assets- Restricted for Aging CMO		12,182
Net Assets- Restricted for Airport PFC		26,921
Net Assets- Restricted for Health & Safety		136
Net Assets- Restricted for Zoo		711
Net Assets- Restricted for Parks		930
Net Assets- Restricted for Persons with Disabilities		121
Net Assets- Restricted for Behavioral Health Division		8,360
Net Assets- Restricted for Fleet and Facilities Divisions		6,183
<b>Total Net Assets - Restricted - Governmental Activities</b>	<b>\$</b>	<b>62,876</b>

### Business-type Activities

Restricted net assets consist of the following:

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

Net Assets- Restricted for Revenue Bonds	\$	14,836
Net Assets- Restricted for Capital Asset Needs at the Airport		5,057
<b>Total Net Assets - Restricted - Business-type Activities</b>	<b>\$</b>	<b>19,893</b>

### Discretely Presented Component Units

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

#### **Temporarily Restricted**

Restricted for Programming Events - Marcus Center for the Performing Arts, Inc.	\$	46
Restricted for the Research Development Fund - Milwaukee County Research Park, Inc.		250
Restricted for the Building Account - Milwaukee County War Memorial, Inc.		102
<b>Total</b>	<b>\$</b>	<b>398</b>

## Note 9 - Net Assets (Continued)

### Discretely Presented Component Units (Continued)

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

#### Temporarily Restricted

Exhibits and Museum Renovations	\$	206
Educational Lecture Costs		171
Purchase and Maintenance of Collections		278
Restricted for time		218
Capital Campaign - Debt		1,437
Endowment Fund:		
Purchase and Maintenance of Collections		294
Internship Programs		35
<b>Total Temporarily Restricted Assets</b>	<b>\$</b>	<b>2,639</b>

#### Permanently Restricted

Operations	\$	2,396
Special Exhibits		1,237
Starr Adventure and Internship		71
<b>Total Permanently Restricted Assets</b>	<b>\$</b>	<b>3,704</b>

## Note 10 - Risk Management

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

All funds of the County except for the Transit System participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a claims reserve. In accordance with Governmental Accounting Standards Board Statement No 10, a liability for claims is reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim

## Note 10 - Risk Management (Continued)

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, 2010 was \$ 14,077.

The County has recognized \$ 14,077 of claims liabilities in the Risk Management Fund. Changes in the balances of claim liabilities during the past two years are as follows:

	Year ended <u>12/31/2010</u>	Year ended <u>12/31/2009</u>
Beginning of year Liability	\$ 10,894	\$ 10,567
Current Year Claims and Changes in Estimates	9,862	6,759
Claims Payments	<u>(6,679)</u>	<u>(6,432)</u>
<b>End of Year Liability</b>	<b><u>\$ 14,077</u></b>	<b><u>\$ 10,894</u></b>

The claims liability for the Transit System at December 31, 2010 was \$ 11,700. The Transit System has recognized \$ 11,700 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 <u>12/31/2010</u>	Year ended <u>12/31/2009</u>
Beginning of year Liability	\$ 8,590	\$ 8,513
Current Year Claims and Changes in Estimates	5,218	323
Claims Payments	<u>(2,108)</u>	<u>(246)</u>
<b>End of Year Liability</b>	<b><u>\$ 11,700</u></b>	<b><u>\$ 8,590</u></b>

## Note 11 - Related Party Transactions

Milwaukee County provides funds required for the operation of the War Memorial Center, Charles Allis/ Villa Terrace Art Museums and Marcus Center for the Performing Arts. To the extent these funds exceed actual disbursements, such excess is required to be returned to Milwaukee County. Milwaukee County and the War Memorial Center agreed that when revenues exceed budget, the War Memorial Center is permitted to create a reserve account whereas up to \$ 25 can be deposited annually. These funds are to be used in future years for the War Memorial Center's operational needs. Total appropriations received by the Memorial for 2010 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.



## Note 11 - Related Party Transactions (Continued)

The Milwaukee County Treasurer's office acts as the trustee for the Charles Allis Art Museum Trust. Distributions from the trust totaling \$ 1 were made to the Memorial during 2010.

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, 2010 were \$ 1,280.

Milwaukee County has legal title to the Milwaukee Public Museum (MPM, Inc.) building, exhibits and artifacts, including any building improvements and additions funded by the County or MPM, Inc. All such assets are leased to MPM, Inc. under a long-term lease. MPM, Inc. capitalizes building additions, improvements and exhibit costs when MPM, Inc. is obligated to pay for those capital items including the IMAX Theater, the Butterfly Wing, the Concourse, the garden gallery, gift shops and restaurants. These assets will revert to Milwaukee County if MPM, Inc. were to vacate the facility.

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

An amendment to the Agreement provides for base annual operating support of \$ 3,503 per year for 10 years beginning in calendar year 2008 through 2017. In addition, the County committed to a minimum of \$ 4 million in capital expenditures over a period of five years, from 2008 to 2012 for infrastructure and deferred maintenance projects. Total payments to MPM, Inc. for the year ended August 31, 2010 was \$ 3,503.

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

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

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. The Milwaukee County Research Park Corporation exercised the first and second extension options extending 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.

On May 13, 2009, the board of the Milwaukee County Research Park Corporation, approved a release of the 16 acres of the northwest quadrant should the land be sold to UWM. In 2010, the land was sold to UWM by Milwaukee County, resulting in a release of this land from the Milwaukee County Research Park Corporation’s lease. In exchange for the release of the 16 acres from the lease, the Milwaukee County Research Park Corporation received \$100.

**Note 12 - Subsequent Events**

March 15, 2011, the County issued \$ 35,095 of General Obligation Refunding Bonds, series 2011A. The proceeds of the Bonds will be used to refund certain outstanding obligations of the County as listed below and to pay the cost of issuing the Bonds.

<u>Dated</u>	<u>Issue</u>	<u>Maturities Outstanding</u>	<u>Maturities Refunded</u>	<u>Amount Refunded</u>	<u>Call Date</u>
4/1/01	General Obligation Corporate Purpose Bonds, Series 2001A	2011-2016	2012-2016	\$12,500	10/1/11
2/1/02	General Obligation Corporate Purpose Bonds, Series 2002A	2011-2017	2012-2017	15,150	8/1/11
2/1/03	General Obligation Corporate Purpose Bonds, Series 2003A	2011-2018	2013-2018	10,425	8/1/12

The State of Wisconsin is in the process of finalizing the State budget for 2011 and forward, which may impact the approved operating budget for Milwaukee County for 2011.

## **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 2011, the commitment is \$ 200.

### **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, 2010.

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

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

#### **Description and Provisions**

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

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

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

#### **Description and Provisions (Continued)**

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, 2010.

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 with 15 or more years of service that were hired before January 1, 1994. Retirees with less than 15 years of service and employees hired on and after January 1, 1994 are responsible for 100 percent of the health insurance premium after retirement. Employees who retire with no break in service from active employee status that were hired before January 1, 1994 pay group term life insurance premiums at the same contribution schedule as when actively employed. Employees hired on and after January 1, 1994 pay 100 percent of the life insurance premiums upon retirement.

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

### Countywide Program (excluding Transit System Continued)

#### 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 2010, 2009, and 2008 OPEB costs:

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Normal Cost	\$ 12,370	\$ 18,392	\$ 18,392
Amortization of Unfunded Actuarial Accrued Liability	106,442	112,360	112,349
Annual Required Contribution (ARC)	118,812	130,752	130,741
Interest on Net OPEB Obligation	10,232	6,541	2,971
Adjustment to the ARC	(23,171)	(14,811)	(6,728)
<b>Annual OPEB Cost</b>	<b><u>\$ 105,873</u></b>	<b><u>\$ 122,482</u></b>	<b><u>\$ 126,984</u></b>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Premiums Paid on Behalf of Retirees	\$ 66,500	\$ 62,579	\$ 69,178
Less: Retiree Contributions	(1,310)	(1,628)	(1,682)
<b>Net Employer Contribution</b>	<b><u>\$ 65,190</u></b>	<b><u>\$ 60,951</u></b>	<b><u>\$ 67,496</u></b>

<b>Percent of Annual OPEB Cost Contributed by Employer</b>	<b>61.6%</b>	<b>49.8%</b>	<b>53.2%</b>
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#### Schedule of Net OPEB Obligation For the Year Ending December 31,

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net OPEB Obligation - January 1,	\$ 170,541	\$ 109,010	\$ 49,522
Annual OPEB Cost	105,873	122,482	126,984
Less: Net Employer Contributions	(65,190)	(60,951)	(67,496)
<b>Net OPEB Obligation - December 31,</b>	<b><u>\$ 211,224</u></b>	<b><u>\$ 170,541</u></b>	<b><u>\$ 109,010</u></b>

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

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

#### **Funded Status and Funding Progress**

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

#### **Actuarial Assumptions and Methods**

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

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

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

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

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

### Countywide Program (excluding Transit System Continued)

#### Actuarial Assumptions and Methods (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, 2010, the County had 5,879 of retirees enrolled in a health plan. The 2010 expenditures for retiree healthcare costs were \$ 64,480. The County's 2010 expenditures also included reimbursement of Medicare Part B premiums for health plan retirees of \$ 5,971. The total health plan expenditures were offset by \$ 1,105 in retiree contributions for certain retirees who were responsible for the partial or full health benefit premium cost.

As of December 31, 2010, the County had 5,140 retirees enrolled in the group life insurance plan. The 2010 expenditures for the group life insurance plan were \$ 710. The total life insurance expenditures were offset by \$ 205 in retiree contributions for certain retirees who were responsible for the partial or full health benefit premium cost.

### Transit System Program

#### Description and Provisions – Transit System Program

Milwaukee Transport Services, Inc. (the "Transit System") provides single-employer defined benefit healthcare and life insurance benefits for eligible retired employees and eligible surviving spouses. The retiree healthcare and life insurance benefits are provided pursuant to the general labor agreement

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

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

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

between the Transit System and the Amalgamated Transit Union Local 998 and the Office and Professional Employees International Union Local 2009. The same benefits are provided to non-represented employees and retirees. Employees hired after July 16, 2007 are not eligible for retiree healthcare benefits. Employees eligible for pension benefits who retired before April 1, 2007 with ten (10) or more years of service are eligible for healthcare benefits. Employees eligible for pension benefits who retire after April 1, 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 of life insurance for employees who retired before April 1, 2001 range from \$500 to \$16,500 (five-hundred to sixteen-thousand five-hundred dollars). The face value for employees retiring after April 1, 2001 but before April 1, 2007 is \$8,500 (eight-thousand five-hundred dollars). The face value for employees retiring after April 1, 2007 is \$9,000 (nine-thousand dollars).

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

The health insurance and life insurance benefits for retirees are recognized under the accrual method of accounting. Under this method retiree healthcare and life insurance benefits are recognized when the benefits are earned by employees. In addition, the Transit System recognizes a portion of the unfunded actuarial accrual liability (UAAL) for the past service costs of its employees and retirees. The UAAL is amortized over thirty (30) years under the level percent method. Under the level percent method, the UAAL is paid off by contributing a fixed percentage of payroll each year. Under this method, the payments are smaller in the initial years and increase over time, as the payroll increases. It is assumed that the active group of employees' size remains constant and that the



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

### Transit System Program (Continued)

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

payroll increases 3 percent per year. It is the Transit System's intent to contribute the annual OPEB expense, after payment of the net retiree healthcare and life insurance premiums, into a trust. The Transit System does not issue a publicly available report that includes the financial statements for the trust on OPEB.

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

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

The following schedule provides the components of the Transit System's 2010, 2009, and 2008 OPEB costs:

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Normal Cost	\$ 3,893	\$ 4,942	\$ 4,164
Amortization of Unfunded Actuarial Accrued Liability	14,729	12,092	10,757
Annual Required Contribution (ARC)	18,622	17,034	14,921
Interest on Net OPEB Obligation	(1)	(194)	(148)
Adjustment to the ARC	1	(12)	364
<b>Annual OPEB Cost</b>	<b>\$ 18,622</b>	<b>\$ 16,828</b>	<b>\$ 15,137</b>

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

**Transit System Program (Continued)**

**Annual OPEB Cost and Net OPEB Obligation - Transit System Program (Continued)**

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Premiums Paid on Behalf of Retirees	\$ 13,330	\$ 11,844	\$ 12,046
Contribution to OPEB Trust	5,166	3,500	7,000
Less: Retiree and Survivor Contribution	(1,526)	(1,530)	(1,559)
Less: Medicare Part D*	-	(407)	(763)
<b>Net Employer Contribution</b>	<b><u>\$ 16,970</u></b>	<b><u>\$ 13,407</u></b>	<b><u>\$ 16,724</u></b>
<b>Percent of Annual OPEB Cost Contributed by Employer</b>	<b>91.1%</b>	<b>79.7%</b>	<b>110.5%</b>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net OPEB Obligation - January 1,	\$ (1,661)	\$ (4,675)	\$ (1,844)
Annual OPEB Cost	18,622	16,828	15,137
Less: Net Employer Contributions	(16,970)	(13,407)	(16,724)
Medicare Part D reclassified to revenue*	-	(407)	(1,244)
<b>Net OPEB Obligation - December 31,</b>	<b><u>\$ (9)</u></b>	<b><u>\$ (1,661)</u></b>	<b><u>\$ (4,675)</u></b>

\*Beginning in 2010, Medicare D is not part of the OPEB trust. Medicare Part D monies from 2007, 2008 and 2009 have been reclassified from the Net OPEB Obligation to revenue.

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

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

As of December 31, 2010, the most recent actuarial valuation date, the Transit System's OPEB plan was partially funded. The actuarial accrued liability for benefits was \$ 234,749, and the actuarial value of assets was \$ 19,676, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 215,073. The annual payroll of active employees covered by the plan was \$ 50,958, and the ratio of UAAL to the covered payroll was 4.28 to 1.

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

### Transit System Program (Continued)

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

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

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

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

Valuation Date	January 1, 2011
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Payroll
Amortization Period	30 Years
Asset Valuation Method	Market
<b>Actuarial Assumptions:</b>	
Investment Rate of Return	8.0%
Healthcare Cost Trend:	
Healthcare	8.5% Grading Down to 5.0% at 0.5% Per Year
Prescription Drugs	8.5% Grading Down to 5.0% at 0.5% Per Year
Mortality	1983 Group Annuity Mortality Table
Disability	Not Applicable
Retirement Age	Estimates Vary Based Upon Historical Experience of the Transit System
Withdrawal	Graduated Rates Based Upon Current Age, Years of Service, and Employment Category
Rate of Salary Increases	3% per Year

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

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

#### **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, 2010, the Transit System had 983 retirees and survivors enrolled in the HMO and PPO healthcare plans. The 2010 expenditures for the HMO and PPO healthcare plans were \$ 16,645. The total HMO and PPO expenditures were offset by \$ 1,526 in retiree contributions for certain retirees and survivors who were responsible for the partial or full health benefit premium cost.

As of December 31, 2010, the Transit System had 983 retirees enrolled in the life insurance plan. The 2010 expenditures for the life insurance plan were \$ 325. There were no retiree contributions towards the life insurance plan.

## **Note 15 - Employee Retirement Systems and Pension Plans**

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

#### **Plan Description and Provisions**

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 the 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. For most members, the normal retirement age is either 60 or 64 depending on ERS enrollment date and collective bargaining agreement. A few labor agreements also require a minimum of five years creditable service in

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

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

#### **Plan Description and Provisions (Continued)**

addition to the age requirement. For deputy sheriff members, the normal retirement age is 57 or age 55 with 15 years of creditable service. Depending on enrollment date and collective bargaining agreement, some active members are eligible to retire when their age added to their years of creditable service equals 75 (the "Rule of 75"). The multiplier is determined by the Ordinance, collective bargaining agreement and ERS enrollment date. At this time, the multiplier percentage can be 1.5%, 1.6%, 2% or 2.5%. A member's three or five consecutive years of highest earnings are used to calculate their final average salary as defined by the Ordinance and labor agreement. Annually after retirement, the monthly benefit is increased by 2% of the benefit paid for the first full month of retirement subject to IRS limits. By Ordinance, the maximum benefit (excluding post-retirement increases) payable to a member cannot exceed the sum of 80% of the member's final average monthly salary.

Certain plan changes (and bonuses) became effective January 1, 2001 (except for represented deputy sheriffs) and are summarized below:

- A bonus of 7.5% per year, up to a maximum of 25%, is added to the final average salary for those employees whose membership in ERS began before January 1, 1982 (or before July 1, 1995 for a non-represented deputy sheriff).
- All service credit earned after January 1, 2001 is credited with an additional .5% multiplier for those employees whose ERS membership began after December 31, 1981 (or June 30, 1995 for a non-represented deputy sheriff). Also, for each year of pension service earned after January 1, 2001, eight (8) years of service earned prior to January 1, 2001 shall be credited with an additional .5% multiplier.
- A "backdrop" payment option was established that permits an employee to receive a lump-sum payment plus a monthly pension benefit upon retirement. The lump-sum payment is the total of the monthly pension amounts, adjusted for COLA increases that a member would be entitled to from a prior date ("backdrop date") to the date that the member terminates employment, plus compounded interest. The backdrop date must be at least one calendar year prior to the termination date and the member must have been eligible to retire as of that date. The member will be entitled to a COLA based on the backdrop date once the member terminates employment.
- A member is vested upon attaining five years of creditable pension service.

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

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

#### **Plan Description and Provisions (Continued)**

The following changes were made effective as of the stated dates:

- As of January 1, 2010 for non-represented employees (excluding Elected Officials and Deputy Sheriffs), the multiplier was reduced from 2% to 1.6% for current members' future service and future hires total service and the normal retirement age was increased to 64 for future hires only. The Machinists and TEAMCO unions agreed to both changes effective May 1, 2010. The Association of Milwaukee County Attorneys agreed to both changes effective June 1, 2010. The 1.6% multiplier (but not age 64) applies to elected officials effective October 14, 2010.
- Non-represented employees and elected officials hired on or after March 15, 2002 are not eligible to receive the backdrop pension benefit. Employees represented by a labor agreement must also be hired prior to the date specified in the labor agreement to be eligible to receive the backdrop benefit.
- Elected officials are not eligible to receive the additional .5% pension benefit multiplier after March 15, 2002.
- Effective January 1, 2003, the pension benefit for employees who became members after December 31, 1981 shall be based on a final average salary equal to the three (instead of five) highest consecutive years of earnings, except for represented deputy sheriffs.

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

A represented deputy sheriff whose membership began prior to January 1, 1982 is vested upon attaining six years of creditable pension service. A represented deputy sheriff whose membership began after December 31, 1981 is vested upon attaining ten years of creditable pension service.

Most members are immediately vested upon attaining age 60 or 64. A vested member is eligible for a deferred pension beginning as of the member's normal retirement date.

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

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

#### **Plan Description and Provisions (Continued)**

A member who is 55 years of age and has 15 years of credited service may elect to receive early-reduced retirement benefits. The member would be entitled to a benefit equal to the normal retirement benefit with a lifetime reduction of 5% for each year prior to the normal retirement date.

Upon the death of a member (generally after 1 year of service and depending on collective bargaining agreements), a spouse with a dependent child as defined by Ordinance will receive 40% of the deceased member's salary, reduced by Social Security benefits payable to the spouse. An additional 10% of salary, reduced by Social Security benefits, is paid for each dependent child. Generally, the total benefit, including Social Security benefits, cannot exceed 90% of the prior salary level of the member. At age 60, the spouse will receive 50% of the normal retirement benefit based on the member's projected service to age 60. If there is no spouse or child, the death benefit payable to a designated beneficiary is equal to 50% of the deceased member's final average salary, but not to exceed \$ 2,000.

A member who becomes eligible for normal retirement, but continues to work may elect a Protective Survivorship Option ("PSO") designating a person to receive a pension (100% or 50% option) in the event of their death while in active service. The PSO election must be filed in writing on an approved form. In the absence of an election, a surviving spouse will be paid a 100% survivorship pension.

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

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

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

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

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

#### **Plan Description and Provisions (Continued)**

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

#### **Summary of Significant Accounting Policies - Pension Fund**

**Basis of Accounting** – The financial information of the ERS was prepared using the accrual basis of accounting. Employee and employer contributions are recognized as 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 required schedules of funding progress present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Expenses** – ERS administrative expenses incurred by the County are payable by the ERS to the County in the year incurred. Such expenses totaled \$ 1,310 in 2010. 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, real estate, long / short hedge and infrastructure are valued at estimated fair value, as provided by the ERS's venture capital investment managers. 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.



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

### Countywide Program (excluding Transit System Continued)

#### Summary of Significant Accounting Policies - Pension Fund (Continued)

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

**Security Lending** – Section 201.24 (9.1) of the General Ordinances of Milwaukee County and Board policies permit ERS to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. ERS participates in such a security lending program through its custodian, the Bank of New York Mellon, acting as ERS's securities lending agent. ERS requires collateral from the borrower in the form of cash or securities. Collateral for domestic issues is set at 102% of the fair value of the securities loaned at the time of the initial transaction. If the value falls to 100% of the fair value of the securities loaned, additional collateral is obtained to reestablish collateral at 102% of the fair value of securities loaned. Collateral for international securities is maintained at a level of 105% of the fair value of securities loaned at all times. The securities lending program guidelines attempt to preserve capital while earning a moderate rate of return. Earnings from securities lending, after all fees are paid, are split on a percentage basis with the custodian. For 2010 the net investment income realized from security lending was \$ 211.

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

Securities loaned and the collateral held as of December 31, 2010 were as follows:

Fair Value of Securities Loaned:	\$	112,857
Fair Value of Collateral:	\$	115,614
Percent Collateral to Securities Loaned:		102.44%

The collateral received from security lending transactions are recorded as assets at quoted fair value of the financial statement date. The Retirement System

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

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

#### **Summary of Significant Accounting Policies - Pension Fund (Continued)**

records an identical amount as a liability, representing the obligation of the Retirement System to return the collateral at the time the borrower of the Retirement System's securities return those securities.

The collateral received from securities lending transactions includes cash of \$ 115,532 and REITS and U.S. Treasury securities of \$ 82 for the year ended December 31, 2010. Under the terms of the securities lending agreement, the Retirement System has the right to sell or pledge the cash collateral. The non-cash collateral in the amount of \$ 82 for the year ended December 31, 2010 is controlled by the custodian and, correspondingly, is not reflected in the financial statements.

**Financial Instruments With Off-Balance Sheet Risks** – A currency forward is a contractual agreement between two parties to pay or receive amounts of foreign currency at a future date in exchange for another currency at an agreed-upon exchange rate. Forward commitments are entered into with the foreign exchange department of a bank located in a major money market. These transactions are entered into in order to hedge risks from exposure to foreign currency rate fluctuations. Recognition of realized gain or loss depends on whether the currency exchange rate has moved favorably or unfavorably to the contract holder upon termination of the contract. Prior to termination of the contract, the Retirement System records the amount receivable or payable at fair value, with the unrealized gain or loss reported as a component of net appreciation in fair value. All contracts are short-term in duration and mature within 90 days.

ERS invests in financial futures contracts in order to improve the performance of the fund. The Retirement System purchases contracts that approximate the amount of cash held by US equity investment managers and cash used to pay benefits and expenses. Financial futures contracts are agreements to buy or sell a specified amount at a specified delivery or maturity date for an agreed upon price. The market values of the futures contracts vary from the original contract price. A gain or loss is recognized and paid to or received from the clearinghouse. Financial futures represent an off balance sheet obligation, as there are no balance sheet assets or liabilities associated with those contracts. The cash or securities to meet these obligations are held in the investment portfolio. All contracts are short-term in duration and mature within 90 days.

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

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

**Summary of Significant Accounting Policies - Pension Fund  
(Continued)**

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

	<u>December 31, 2010</u>
Cash Held:	
U.S. Equity Managers	\$ 14,291
Cash Used to Pay Benefits and Expenses	<u>41,709</u>
Total Cash Held	<u>56,000</u>
Futures Purchased:	
S&P 500 (U.S. Equity)	\$ 28,505
Barclays AGG (Fixed Income)	19,905
MSCI EAFE (International Equity)	<u>7,391</u>
Total Futures Purchased	<u>55,801</u>
Futures Below Cash	<u>\$ (199)</u>
Market Value	<u>\$ 258*</u>

\* Futures contracts are included in domestic common and preferred stocks in the Statement of Plan Net Assets.

**2010 Changes in Plan Provisions or Actuarial Assumptions**

- Multiplier was reduced from 2.0% to 1.6% for non-represented employee except Elected Officials and Deputy Sheriffs, and members of several small collective bargaining units.
- Retirement age for non-represented employees and members of several small collective bargaining unit new hires was increased from 60 to 64.

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

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

**Contributions Required and Contributions Made**

The Retirement System's funding policy provides for periodic County contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Payroll contribution rates are determined using the Aggregate Entry Age Normal method of funding. The Retirement System also uses the level percentage of payroll method to amortize the unfunded liability over a 30-year period in 2010. 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 Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
ERS	12/31/10	\$ 22,570	145.7%	\$ (404,328)
	12/31/09	23,803	1,923.2%	(395,607)
	12/31/08	48,910	71.2%	38,366
OBRA	12/31/10	\$ 712	110.4%	\$ -
	12/31/09	655	100.9%	-
	12/31/08	558	93.5%	-

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

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

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

County contributions to ERS totaling \$ 32,894, \$ 457,789 and \$ 34,841 were recorded in 2010, 2009 and 2008 respectively. The 2010 contribution was \$ 5,344 above the Funding Contribution Amount. The 2009 contribution was well above the ARC due to a one-time contribution of \$ 397.8 million and the settlement of a lawsuit for \$ 29.0 million. The 2008 contribution was below the ARC. Not including the \$ 397.8 million in 2009, the County's contributions to the ERS were 14.8%, 25.3% and 14.9% of annual covered payroll for 2010, 2009 and 2008, respectively.

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, 2010 was \$ 5,520, leaving net assets available less than the actuarial accrued liability of (\$ 4,117). The County made contributions to the OBRA system totaling \$ 786, \$ 661, and \$ 522 in 2010, 2009, and 2008, respectively.

**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, 2011, the most recent actuarial valuation date, is as follows:

	Actuarial Value of Assets (a)	Actuarial Accrued Liability- AAL (b)	Funded Ratio (a/b)	Unfunded AAL- UAAL (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
ERS	\$ 1,929,428	\$ 2,091,927	92.23%	\$ 162,499	\$ 221,647	73.31%
OBRA	\$ 1,402	\$ 5,519	25.40%	\$ 4,117	\$ 8,936	46.07%

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

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

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

**Funded Status and Actuarial Information (Continued)**

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

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

	<u>ERS</u>	<u>OBRA</u>
Valuation Date	January 1, 2011	January 1, 2011
Actuarial Cost Method	Aggregate Entry Age Normal	Unprojected Unit Credit
Asset Valuation Method	5-year Smoothed Market	Market
<b>Amortization Methods:</b>		
Contribution Variance	Level Dollar, Closed	Level Dollar, Closed
Administrative Expenses	Level Dollar, Closed	Level Dollar, Closed
All Other Unfunded Liability	Level Percent of Payroll, Closed	Level Percent of Payroll, Closed
<b>Remaining Amortization Periods:</b>		
Contribution Variance	5 Years	5 Years
Administrative Expenses	10 Years	10 Years
All Other Unfunded Liability	30 Years	30 Years
<b>Actuarial Assumptions:</b>		
Investment Rate of Return	8.0%	8.0%
Rate of Salary Increases	3.50%	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 15 - Employee Retirement Systems and Pension Plans (Continued)**

### **Transit System Program**

#### **Plan Description and Provisions-Transit System Program**

The Transit System's Transport Employees' Pension Plan ("The Plan") is a single employer contributory defined benefit plan sponsored by Milwaukee Transport Services, Inc. The Plan is administered by an administration board, which consists of three members representing Milwaukee Transport Services, Inc. and three members representing the employees. The Plan is not subject to the reporting and disclosure requirements of the Employee Retirement Income Security Act of 1974 as amended (ERISA), as it is a governmental plan exempted under Section 4(b)(1) of Title I of the Act. All regular full-time employees of Milwaukee Transport Services, Inc. are eligible to participate in the Plan.

Participants become fully vested after five (5) years of continuous credited service. Participants are eligible for normal retirement benefits at age 62 with five years of credited service or a combination of age plus credited service total 85 or more. Participants are eligible for reduced retirement benefits at age 57 with five years of credited service. Effective April 1, 1998, participants who have completed twenty-five or more years of credited service are eligible for normal retirement benefits. Participants may elect to receive their pension benefits in the form of a joint and survivor annuity. The Plan also provided for death and disability benefits.

Under the terms of the Plan, a participant, upon normal retirement, is entitled to receive a monthly benefit of 2% (1.77% for participants retiring between April 1, 2001 and March 31, 2002, 1.82% for participants retiring between April 1, 2002 and March 31, 2003 and 1.87% for participants retiring between April 1, 2003 and March 31, 2004 and 2% for participants retiring after April 1, 2004) of his/her average monthly earnings during the three highest earnings years times the number of years of credit service after March 31, 1966, plus \$ 90 times the numbers of years of credited service prior to April 1, 1966. The total number of years of credited service cannot exceed thirty-five (35). A minimum monthly benefit of \$ 250 is provided for all retirees with at least ten (10) years of credited service.

Upon termination of employment before five years of credited service, participants will receive a refund equal to their own employee contributions and interest income at a rate of approximately 2%. Information concerning the Plan including vesting, benefits and termination provisions may be obtained from the summary plan booklet distributed by Milwaukee Transport Services, Inc.

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

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

#### **Plan Description and Provisions-Transit System Program (Continued)**

The Transit System issues a publicly available report that includes the financial statements and required supplementary information for the Transport Employees' Pension Plan. The financial report may be obtained by writing to the Transport Employees Pension Plan, 1942 North 17<sup>th</sup> Street, Milwaukee, Wisconsin 53205.

#### **Summary of Significant Accounting Policies - Transit System Program**

**Basis of Accounting** - The financial information of the Plan has been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles within the United States of America.

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

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



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

**Transit System Program (Continued)**

**Summary of Significant Accounting Policies - Transit System  
Program (Continued)**

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

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

Employees covered under the Plan contribute an amount equal to 15% (10% prior to September 1, 2001) of the actuarially determined contribution necessary to fund the Plan. Milwaukee Transport Services, Inc. contributes an amount equal to 85% (90% prior to September 1, 2001) of the actuarially determined contribution necessary to fund the Plan.

In 2010 and 2009, Milwaukee Transport Services, Inc, was required to make monthly pension contributions payments to the Plan equal to 18.11% and

19.77% respectively, of the gross amount of wages or salaries paid to each employee covered under the Plan, and employees were required to contribute 2.72% in 2010 and 3.68% in 2009 of their gross wages or salaries.

Three year Trend Information for the Milwaukee Transport Employees' Pension Plan is as follows:

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Ending</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
12/31/10	\$ 9,939	100.0%	-
12/31/09	9,190	100.0%	-
12/31/08	7,243	100.0%	-

Contributions are designated to fund current service costs as well as to fund, over approximately 30 years, the estimated accrued benefit costs arising from qualifying service that occurred prior to the establishment of the Plan or subsequent Plan amendments. Interest on employee contributions is accumulated at a rate of 2% per year. The Annual Required Contributions for the Transport Employees' Pension Plan were \$ 9,939 and 9,190 for 2010 and 2009 respectively.

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

**Transit System Program (Continued)**

**Funded Status and Actuarial Information - Transit System Program**

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

The Transport Employees' Pension Plan engages an independent actuarial firm to perform an annual actuarial valuation. The funded status of the Plan as of December 31, 2010, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability- AAL <u>(b)</u>	Funded Ratio <u>(a/b)</u>	(Overfunded) Unfunded AAL- UAAL <u>(b-a)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
\$ 352,396	\$ 410,915	85.8%	\$ 58,519	\$ 57,300	102.1%

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

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

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## **Note 16 - Pending Governmental Accounting Standards**

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 statement's 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.

##### **Transit System**

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

#### **Other Postemployment Benefits (OPEB)**

##### **Countywide Program**

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

##### **Transit System Program**

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

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

	Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability-AAL	Funded Ratio	(Overfunded) Unfunded AAL-UAAL*	Covered Payroll	UAAL as a Percentage of Covered Payroll**
	Date	(a)	(b)	(a/b)	(b-a)	(c)	((b-a)/c)
<b>Retirement System</b>							
	1/1/11	\$ 1,929,428	\$ 2,091,927	92.23%	\$ 162,499	\$ 221,647	73.31%
	1/1/10	1,956,444	2,097,332	93.28%	140,888	237,040	59.44%
	1/1/09***	1,968,518	2,057,377	95.68%	88,859	233,820	38.00%
	1/1/08	1,627,288	2,024,923	80.36%	397,635	227,364	174.89%
	1/1/07	1,525,532	1,931,220	78.99%	405,688	223,005	181.92%
	1/1/06	1,454,302	1,909,321	76.17%	455,019	225,722	201.58%
	1/1/05	1,424,918	1,782,884	79.90%	357,966	209,796	170.60%
	1/1/04	1,446,726	1,707,999	84.70%	261,273	233,478	111.90%
	1/1/03	1,446,860	1,542,045	93.80%	95,185	234,679	40.60%
	1/1/02	1,620,157	1,492,072	108.60%	(128,085)*	238,387	(53.7%)**
<b>OBRA</b>							
	1/1/11	\$ 1,402	\$ 5,520	25.40%	\$ 4,117	\$ 8,936	46.07%
	1/1/10	1,039	5,069	20.50%	4,030	6,901	58.40%
	1/1/09	860	4,452	19.32%	3,592	8,498	42.27%
	1/1/08	1,355	4,077	33.24%	2,722	8,284	32.86%
	1/1/07	1,261	3,843	32.80%	2,582	7,057	36.60%
	1/1/06	1,090	3,530	30.90%	2,440	8,353	29.20%
	1/1/05	944	2,872	32.90%	1,928	8,406	22.90%
	1/1/04	790	2,535	31.15%	1,745	8,397	20.80%
	1/1/03	674	2,049	32.90%	1,376	8,596	16.00%
	1/1/02	662	1,890	35.00%	1,228	8,713	14.10%

\* 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 the \$397,797 in pension obligation bond proceeds received in April 2009 in its determination of the plan's funded status as of January 1, 2009.

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

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

<u>Retirement System</u>	<u>Fiscal Year</u>	Annual Required Contribution (ARC)	<u>Contribution</u>	Percentage of ARC <u>Contributed</u>
	2010	\$ 29,529	\$ 32,894	111.40%
	2009	30,356	457,789	1508.07%
	2008	53,064	34,841	65.66%
	2007	52,395	49,289	94.07%
	2006	52,638	27,435	52.12%
	2005	37,438	35,415	94.60%
	2004	33,248	35,249	106.02%
	2003	23,131	33,981	146.91%
	2002	7,536	2,580	34.24%
	2001	8,586	2,648	30.84%
 <u>OBRA</u>				
	2010	\$ 716	\$ 786	109.78%
	2009	661	661	100.00%
	2008	558	522	93.55%
	2007	486	529	108.85%
	2006	499	462	92.59%
	2005	386	365	94.56%
	2004	338	348	102.96%
	2003	280	280	100.00%
	2002	275	275	100.00%
	2001	250	250	100.00%

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

	Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Assets</u>	Actuarial Accrued <u>Liability-</u>	Funded <u>Ratio</u>	(Overfunded) Underfunded AAL- <u>UAAL</u>	Covered <u>Payroll</u>	UAAL as a Percentage of Covered <u>Payroll</u>
<u>County-wide Program</u>							
	1/1/2010	\$ -	\$ 1,465,159	0.0%	\$ 1,465,159	\$ 97,620	1500.9%
	1/1/2008	-	1,546,458	0.0%	1,546,458	118,977	1299.8%
	1/1/2006	-	1,313,632	0.0%	1,313,632	99,327	1322.5%
<u>Transit System Program</u>							
	1/1/2011	\$ 24,840	\$ 243,077	10.2%	\$ 218,237	\$ 50,958	428.3%
	1/1/2010	19,676	209,963	9.4%	190,287	57,356	331.8%
	1/1/2009	12,678	201,686	6.3%	189,008	63,921	295.7%
	1/1/2007	-	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 Required Contribution</u>	<u>Net Employer Contribution</u>	<u>Employer Percentage Contributed</u>
<u>County-Wide Program</u>	2010	\$ 118,812	\$ 65,190	54.9%
	2009	130,752	60,951	46.6%
	2008	130,741	67,496	51.6%

	<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Net Employer Contribution</u>	<u>Employer Percentage Contributed</u>
<u>Transit System Program</u>	2010	\$ 18,622	\$ 16,970	91.1%
	2009	17,034	13,407	78.7%
	2008	14,921	16,724	112.1%



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

	Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Assets</u>	Actuarial Accrued <u>Liability-</u>	Funded <u>Ratio</u>	(Overfunded) Underfunded AAL- <u>UAAL</u>	Covered <u>Payroll</u>	UAAL as a Percentage of Covered <u>Payroll</u>
<u>Transit Retirement System</u>							
	1/1/11	\$ 352,396	\$ 410,915	85.8%	\$ 58,519	\$ 57,300	102.1%
	1/1/10	318,883	378,311	84.3%	59,428	59,417	100.0%
	1/1/09	321,519	384,833	83.5%	63,314	61,000	103.8%
	1/1/08	351,688	375,684	93.6%	23,996	62,000	38.7%
	1/1/07	327,134	354,337	92.3%	27,203	62,000	43.9%
	1/1/06	308,489	334,648	92.2%	26,159	63,750	41.0%
	1/1/05	293,281	312,184	93.9%	18,903	63,350	29.8%
	1/1/04	254,519	284,683	89.4%	30,164	64,500	46.8%
	1/1/03	242,635	269,635	90.0%	27,000	64,700	41.7%
	1/1/02	239,808	254,129	94.4%	14,321	60,500	23.7%

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

<u>Transit System</u>	<u>Fiscal Year</u>	Annual Required Contribution <u>(ARC)</u>	<u>Contribution</u>	Percentage of ARC <u>Contributed</u>
	2010	\$ 9,939	\$ 9,939	100.00%
	2009	9,190	9,190	100.00%
	2008	7,243	7,243	100.00%
	2007	7,429	7,429	100.00%
	2006	7,251	7,251	100.00%
	2005	7,316	7,316	100.00%
	2004	7,391	7,391	100.00%
	2003	6,555	6,555	100.00%
	2002	5,134	5,134	100.00%

## **SUPPLEMENTARY INFORMATION**

### **Combining and Individual Fund Financial Statements and Schedules**

## **BUDGETARY COMPARISON SCHEDULES**

COUNTY OF MILWAUKEE  
 Statement of Revenues, Expenditures and  
 Changes in Fund Balances-Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 General Fund  
 For the Year Ended December 31, 2010  
 (In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 294,426	\$ 320,273	\$ 306,875	\$ (13,398)
Property Taxes	266,048	266,048	266,973	925
Sales Taxes	65,362	65,362	61,114	(4,248)
Charges for Services	401,727	377,385	374,063	(3,322)
Fines and Forfeits	3,447	3,447	3,284	(163)
Licenses and Permits	509	509	640	131
Investment Income and Rents	10,606	10,606	10,276	(330)
Other	45,403	42,569	31,136	(11,433)
<b>Total Revenues</b>	<b>1,087,528</b>	<b>1,086,199</b>	<b>1,054,361</b>	<b>(31,838)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
County Board	6,697	6,235	5,897	338
Department of Audit	2,681	2,499	2,375	124
Veterans Service	308	322	295	27
Community Development Business Partners	1,002	974	912	62
Procurement	816	724	620	104
Employee Benefits	2,521	2,479	2,097	382
Labor Relations	515	544	545	(1)
Office for Persons with Disabilities	893	992	911	81
County Executive	1,317	1,147	1,022	125
Civil Service Commission	53	53	51	2
Personnel Review Board	210	212	244	(32)
Corporation Counsel	1,710	1,551	1,749	(198)
Department of Human Resources	2,299	1,974	1,733	241
Department of Administrative Services	4,101	3,900	3,769	131
<b>Legislative, Executive and Staff</b>	<b>25,123</b>	<b>23,606</b>	<b>22,220</b>	<b>1,386</b>
County-funded State Court Services	52,571	37,210	37,671	(461)
Child Support Enforcement	18,510	21,637	20,926	711
<b>Courts and Judiciary</b>	<b>71,081</b>	<b>58,847</b>	<b>58,597</b>	<b>250</b>
Election Commission	1,074	1,014	965	49
County Treasurer	1,600	1,532	1,377	155
County Clerk	797	714	736	(22)
Register of Deeds	4,237	4,228	3,902	326
<b>General Governmental Services</b>	<b>7,708</b>	<b>7,488</b>	<b>6,980</b>	<b>508</b>
Sheriff	141,952	147,892	144,354	3,538
District Attorney	19,799	18,449	17,351	1,098
Medical Examiner	4,653	4,402	4,353	49
<b>Public Safety</b>	<b>166,404</b>	<b>170,743</b>	<b>166,058</b>	<b>4,685</b>

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, 2010  
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Highway Maintenance	\$ 18,476	\$ 14,486	\$ 12,867	\$ 1,619
Fleet / Facilities Services	29,369	32,247	29,477	2,770
Administration	1,715	1,511	1,220	291
Public Works and Highways	<u>49,560</u>	<u>48,244</u>	<u>43,564</u>	<u>4,680</u>
Department on Aging	17,383	17,934	17,024	910
Family Care	257,068	259,076	259,915	(839)
DHHS - Behavioral Health Division	186,389	194,053	187,640	6,413
Department of Human Services	151,131	161,907	154,247	7,660
Human Services	<u>611,971</u>	<u>632,970</u>	<u>618,826</u>	<u>14,144</u>
Department of Parks	42,252	39,579	36,741	2,838
Zoological Department	23,658	23,406	21,251	2,155
UW Extension Service	463	315	306	9
Other Cultural Organizations	1,752	905	675	230
Parks, Recreation and Culture	<u>68,125</u>	<u>64,205</u>	<u>58,973</u>	<u>5,232</u>
Total Expenditures	<u>999,972</u>	<u>1,006,103</u>	<u>975,218</u>	<u>30,885</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>87,556</u>	<u>80,096</u>	<u>79,143</u>	<u>(953)</u>
Other Financing Sources (Uses):				
Application of Fund Balance	4,144	4,144	4,144	-
General Obligation Bonds Issued	-	-	340	340
Transfers In	56,093	81,872	54,503	(27,369)
Transfers Out	(141,262)	(159,581)	(139,576)	20,005
Transfers To Component Units	(6,531)	(6,531)	(6,531)	-
Total Other Financing Sources (Uses)	<u>(87,556)</u>	<u>(80,096)</u>	<u>(87,120)</u>	<u>(7,024)</u>
Net Change in Fund Balance	-	-	(7,977)	(7,977)
Fund Balances -- Beginning	43,907	43,907	43,907	-
Fund Balances -- Ending	<u>\$ 43,907</u>	<u>\$ 43,907</u>	<u>\$ 35,930</u>	<u>\$ (7,977)</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, 2010  
 (In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental Revenue	\$ -	\$ -	\$ 830	\$ 830
Other	7,181	9,584	8,968	(616)
Total Revenues	<u>7,181</u>	<u>9,584</u>	<u>9,798</u>	<u>214</u>
Expenditures:				
Debt Service:				
Principal Retirement	63,691	63,691	60,202	3,489
Interest and Other Charges	36,953	36,953	38,036	(1,083)
Total Expenditures	<u>100,644</u>	<u>100,644</u>	<u>98,238</u>	<u>2,406</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(93,463)</u>	<u>(91,060)</u>	<u>(88,440)</u>	<u>2,620</u>
Other Financing Sources (Uses):				
General Obligation Bonds Issued	-	-	193	193
Transfers In	93,463	91,060	89,359	(1,701)
Total Other Financing Sources (Uses)	<u>93,463</u>	<u>91,060</u>	<u>89,552</u>	<u>(1,508)</u>
Net Change in Fund Balance	-	-	1,112	1,112
Fund Balances - Beginning	6,220	6,220	6,220	-
Fund Balances - Ending	<u>\$ 6,220</u>	<u>\$ 6,220</u>	<u>\$ 7,332</u>	<u>\$ 1,112</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, 2010  
 (In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 23,654	\$ 24,191	\$ 27,868	\$ 3,677
Sales Tax	420	420	420	-
Investment Income and Rents	391	754	884	130
Other	9,018	5,484	4,914	(570)
Total Revenues	<u>33,483</u>	<u>30,849</u>	<u>34,086</u>	<u>3,237</u>
<b>Expenditures:</b>				
Capital Outlay	115,391	119,965	119,786	179
Total Expenditures	<u>115,391</u>	<u>119,965</u>	<u>119,786</u>	<u>179</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(81,908)</u>	<u>(89,116)</u>	<u>(85,700)</u>	<u>3,416</u>
<b>Other Financing Sources (Uses):</b>				
General Obligation Bonds Issued	81,792	84,503	82,450	(2,053)
Transfers In	116	59,944	45,584	(14,360)
Transfers Out	-	(55,331)	(47,787)	7,544
Total Other Financing Sources (Uses)	<u>81,908</u>	<u>89,116</u>	<u>80,247</u>	<u>(8,869)</u>
Net Change in Fund Balance	-	-	(5,453)	(5,453)
Fund Balances - Beginning	<u>64,468</u>	<u>64,468</u>	<u>64,468</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 64,468</u>	<u>\$ 64,468</u>	<u>\$ 59,015</u>	<u>\$ (5,453)</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, 2010  
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Operating Revenues:				
Rentals and Other Service Fees	\$ 65,786	\$ 67,433	\$ 64,477	\$ (2,956)
Admissions and Concessions	12,469	12,469	15,154	2,685
Total Charges for Services	<u>78,255</u>	<u>79,902</u>	<u>79,631</u>	<u>(271)</u>
Other Revenues	15	15	13	(2)
Total Operating Revenues	<u>78,270</u>	<u>79,917</u>	<u>79,644</u>	<u>(273)</u>
Operating Expenses:				
Personnel Services	24,958	25,139	22,488	2,651
Contractual Services	18,441	21,345	18,878	2,467
Intra-County Services	9,926	9,945	9,598	347
Commodities	4,495	5,024	4,842	182
Depreciation and Amortization	14,209	14,209	16,712	(2,503)
Maintenance	579	3,467	3,380	87
Other	1,261	1,294	1,383	(89)
Total Operating Expenses	<u>73,869</u>	<u>80,423</u>	<u>77,281</u>	<u>3,142</u>
Operating Income (Loss)	<u>4,401</u>	<u>(506)</u>	<u>2,363</u>	<u>2,869</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	75	75	309	234
Investment Income	1,350	1,350	162	(1,188)
Interest Expense	(9,270)	(9,270)	(10,199)	(929)
Total Nonoperating Revenues (Expenses)	<u>(7,845)</u>	<u>(7,845)</u>	<u>(9,728)</u>	<u>(1,883)</u>
Income (Loss) Before Transfers	(3,444)	(8,351)	(7,365)	986
Add Depreciation on Capital Assets				
Acquired by Capital Grants that Reduces Contributed Capital From Capital Grants	4,676	4,676	25,284	20,608
Transfers In	-	3,675	-	(3,675)
Transfers Out	<u>(1,232)</u>	<u>-</u>	<u>(6,003)</u>	<u>(6,003)</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,916</u>	<u>\$ 11,916</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, 2010  
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Operating Revenues:				
Rentals and Other Service Fees	\$ 120	\$ 120	\$ 94	\$ (26)
Transit Fares	56,367	56,367	52,097	(4,270)
Total Charges for Services	56,487	56,487	52,191	(4,296)
Other Revenues	17,326	17,326	5,433	(11,893)
Total Operating Revenues	<u>73,813</u>	<u>73,813</u>	<u>57,624</u>	<u>(16,189)</u>
Operating Expenses:				
Personnel Services	117,953	117,953	115,016	2,937
Contractual Services	33,203	33,203	30,326	2,877
Intra-County Services	1,793	1,793	1,748	45
Commodities	14,532	14,532	13,149	1,383
Depreciation and Amortization	11,306	11,306	11,525	(219)
Maintenance	223	223	1,227	(1,004)
Other	2,314	2,314	1,844	470
Total Operating Expenses	<u>181,324</u>	<u>181,324</u>	<u>174,835</u>	<u>6,489</u>
Operating Income (Loss)	<u>(107,511)</u>	<u>(107,511)</u>	<u>(117,211)</u>	<u>(9,700)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	92,499	92,499	89,186	(3,313)
Interest Expense	(921)	(921)	(1,089)	(168)
Total Nonoperating Revenues (Expenses)	<u>91,578</u>	<u>91,578</u>	<u>88,097</u>	<u>(3,481)</u>
Income (Loss) Before Transfers	(15,933)	(15,933)	(29,114)	(13,181)
Add Depreciation on Capital Assets				
Acquired by Capital Grants that Reduces				
Contributed Capital From Capital Grants	9,007	9,007	24,205	15,198
Transfers In	6,926	6,926	20,263	13,337
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,354</u>	<u>\$ 15,354</u>

## NON-MAJOR GOVERNMENTAL FUNDS

### **Special Revenue Funds**

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

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

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

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

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

**Public Works**- Compensated absence payouts for retirees from the Fleet and Facilities divisions.

**Airport PFC (Passenger Facility Charge)** –Federal Aviation Administration (FAA) approved capital projects at the Airport.

**Health and Safety** – Countywide safety training and new employee screenings.

COUNTY OF MILWAUKEE  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2010  
 (In Thousands)

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Zoo	Parks	Persons with Disabilities	Behavioral Health Division	Airport	Health and Safety	DTPW	
<b>ASSETS</b>								
Cash and Investments	\$ 865	\$ 973	\$ 121	\$ 8,360	\$ -	\$ 136	\$ 6,183	\$ 16,638
Cash and Investments -- Restricted	-	-	-	-	26,921	-	-	26,921
Receivables -- Other	-	6	-	-	-	-	-	6
Total Assets	<u>\$ 865</u>	<u>\$ 979</u>	<u>\$ 121</u>	<u>\$ 8,360</u>	<u>\$ 26,921</u>	<u>\$ 136</u>	<u>\$ 6,183</u>	<u>\$ 43,565</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable	\$ 154	\$ 49	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203
Total Liabilities	<u>154</u>	<u>49</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203</u>
Fund Balances:								
Reserved	711	930	121	8,360	26,921	136	6,183	43,362
Total Fund Balances	<u>711</u>	<u>930</u>	<u>121</u>	<u>8,360</u>	<u>26,921</u>	<u>136</u>	<u>6,183</u>	<u>43,362</u>
Total Liabilities and Fund Balances	<u>\$ 865</u>	<u>\$ 979</u>	<u>\$ 121</u>	<u>\$ 8,360</u>	<u>\$ 26,921</u>	<u>\$ 136</u>	<u>\$ 6,183</u>	<u>\$ 43,565</u>

COUNTY OF MILWAUKEE  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2010  
(In Thousands)

	Special Revenue Funds						Total Nonmajor Governmental Funds	
	Zoo	Parks	Persons with Disabilities	Behavioral Health Division	Airport	Health and Safety		DTPW
Revenues:								
Charges for Services	\$ 686	\$ 45	\$ -	\$ -	\$ 13,480	\$ -	\$ -	\$ 14,211
Investment Income and Rents	13	1	-	-	366	-	-	380
Other	67	5	1	1	-	-	-	74
Total Revenues	<u>766</u>	<u>51</u>	<u>1</u>	<u>1</u>	<u>13,846</u>	<u>-</u>	<u>-</u>	<u>14,665</u>
Expenditures:								
Current:								
Public Works and Highways	-	-	-	-	9,104	-	316	9,420
Human Services	-	-	3	619	-	-	-	622
Parks, Recreation and Culture	707	119	-	-	-	-	-	826
Total Expenditures	<u>707</u>	<u>119</u>	<u>3</u>	<u>619</u>	<u>9,104</u>	<u>-</u>	<u>316</u>	<u>10,868</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>59</u>	<u>(68)</u>	<u>(2)</u>	<u>(618)</u>	<u>4,742</u>	<u>-</u>	<u>(316)</u>	<u>3,797</u>
Net Changes in Fund Balance	59	(68)	(2)	(618)	4,742	-	(316)	3,797
Fund Balances -- Beginning	652	998	123	8,978	22,179	136	6,499	39,565
Fund Balances -- Ending	<u>\$ 711</u>	<u>\$ 930</u>	<u>\$ 121</u>	<u>\$ 8,360</u>	<u>\$ 26,921</u>	<u>\$ 136</u>	<u>\$ 6,183</u>	<u>\$ 43,362</u>

## INTERNAL SERVICE FUNDS

### **Internal Service Funds**

The Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the County, or to other governmental entities, on a cost-reimbursement basis. The specific purpose of each Internal Service Fund is listed below.

**Information Management Services** – This fund is used to account for electronic data processing, graphics and telecommunication services provided to County departments.

**Public Works Services** – This fund is used to account for various services provided to other County departments including:

**Professional Services** – provides engineering, architectural and administrative services.

**Water Utility** – maintains the water distribution system that is located on the Milwaukee County Grounds.

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

COUNTY OF MILWAUKEE  
Combining Balance Sheet  
Internal Service Funds  
December 31, 2010  
(In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
<b><u>Assets</u></b>				
Current Assets:				
Cash and Investments	\$ 6,185	\$ 5,478	\$ 10,581	\$ 22,244
Accounts Receivable (Net of Allowances for Uncollectible Accounts)	1	204	2,184	2,389
Due From Other Governments	-	299	-	299
Prepaid Items	98	-	2,116	2,214
Total Current Assets	<u>6,284</u>	<u>5,981</u>	<u>14,881</u>	<u>27,146</u>
Capital Assets:				
Construction in Progress	1,762	556	-	2,318
Land Improvements	-	3,103	-	3,103
Building and Improvements	1,151	1,854	-	3,005
Furniture, Machinery and Equipment	35,310	2,015	7	37,332
Total Capital Assets	<u>38,223</u>	<u>7,528</u>	<u>7</u>	<u>45,758</u>
Less Accumulated Depreciation	<u>(31,084)</u>	<u>(4,685)</u>	<u>(6)</u>	<u>(35,775)</u>
Net Capital Assets	<u>7,139</u>	<u>2,843</u>	<u>1</u>	<u>9,983</u>
Total Assets	<u>\$ 13,423</u>	<u>\$ 8,824</u>	<u>\$ 14,882</u>	<u>\$ 37,129</u>
<b><u>Liabilities</u></b>				
Current Liabilities:				
Accounts Payable	\$ 647	\$ 264	\$ 111	\$ 1,022
Accrued Interest	175	7	-	182
Unearned Revenues	-	1	-	1
Bonds and Notes Payable - General Obligation	1,790	31	-	1,821
Compensated Absences	574	552	48	1,174
Capital Leases	-	5	-	5
Risk Claims	-	-	9,830	9,830
Total Current Liabilities	<u>3,186</u>	<u>860</u>	<u>9,989</u>	<u>14,035</u>
Long-Term Liabilities:				
Bonds and Notes Payable - General Obligation	12,130	1,654	-	13,784
Compensated Absences	616	800	50	1,466
Capital Leases	-	34	-	34
Risk Claims	-	-	4,247	4,247
Other Post Employment Benefits	3,404	3,117	433	6,954
Total Long-Term Liabilities	<u>16,150</u>	<u>5,605</u>	<u>4,730</u>	<u>26,485</u>
Total Liabilities	<u>19,336</u>	<u>6,465</u>	<u>14,719</u>	<u>40,520</u>
<b><u>Net Assets (Liabilities)</u></b>				
Unrestricted	868	1,240	162	2,270
Invested in Capital Assets, Net of Related Debt	<u>(6,781)</u>	<u>1,119</u>	<u>1</u>	<u>(5,661)</u>
Total Net Assets (Liabilities)	<u>(5,913)</u>	<u>2,359</u>	<u>163</u>	<u>(3,391)</u>
Total Liabilities and Net Assets	<u>\$ 13,423</u>	<u>\$ 8,824</u>	<u>\$ 14,882</u>	<u>\$ 37,129</u>

COUNTY OF MILWAUKEE  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
 Internal Service Funds  
 For The Year Ended December 31, 2010  
 (In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
Operating Revenues:				
Charges for Services	\$ 14,608	\$ 9,862	\$ 7,001	\$ 31,471
Other	97	306	347	750
Total Operating Revenues	<u>14,705</u>	<u>10,168</u>	<u>7,348</u>	<u>32,221</u>
Operating Expenses:				
Personnel Services	7,299	6,059	632	13,990
Contractual Services	4,949	1,704	50	6,703
Intra-County Services	282	2,471	171	2,924
Commodities	432	56	2	490
Depreciation and Amortization	2,339	245	1	2,585
Maintenance	16	356	-	372
Insurance and Claims	-	-	7,244	7,244
Other	-	4	-	4
Total Operating Expenses	<u>15,317</u>	<u>10,895</u>	<u>8,100</u>	<u>34,312</u>
Operating Income (Loss)	<u>(612)</u>	<u>(727)</u>	<u>(752)</u>	<u>(2,091)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	1,510	241	-	1,751
Interest Expense	(611)	(70)	-	(681)
Total Nonoperating Revenues (Expenses)	<u>899</u>	<u>171</u>	<u>-</u>	<u>1,070</u>
Income (Loss) Before Contributions and Transfers	287	(556)	(752)	(1,021)
Capital Contributions (Returned)	(919)	530	-	(389)
Transfers In	-	994	906	1,900
Transfers Out	(530)	(183)	-	(713)
Change in Net Assets	(1,162)	785	154	(223)
Net Assets (Liabilities) -- Beginning	(4,751)	1,574	9	(3,168)
Net Assets (Liabilities) -- Ending	<u>\$ (5,913)</u>	<u>\$ 2,359</u>	<u>\$ 163</u>	<u>\$ (3,391)</u>



COUNTY OF MILWAUKEE  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2010  
(In Thousands)

	Information Management <u>Services</u>	Public Works <u>Services</u>	Risk Management	<u>Total</u>
<b>Cash Flows Provided (Used) by Operating Activities:</b>				
Receipts from Customers and Users	\$ 123	\$ 4,659	\$ (1,337)	\$ 3,445
Receipts from Interfund Services	14,608	5,323	6,501	26,432
Payments to Suppliers	(5,093)	(1,929)	(9,314)	(16,336)
Payments to Employees	(6,804)	(5,077)	(506)	(12,387)
Payments for Interfund Services Used	(382)	(2,471)	3,012	159
Net Cash Flows Provided (Used) by Operating Activities	<u>2,452</u>	<u>505</u>	<u>(1,644)</u>	<u>1,313</u>
<b>Cash Flows Provided (Used) by Noncapital Financing Activities:</b>				
Intergovernmental Revenues	1,510	241	-	1,751
Transfers From Other Funds	-	994	906	1,900
Transfers (To) Other Funds	(530)	(183)	(1)	(714)
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>980</u>	<u>1,052</u>	<u>905</u>	<u>2,937</u>
<b>Cash Flows Provided (Used) by Capital and Related Financing Activities:</b>				
Capital Contributions (Returned)	(919)	530	-	(389)
Proceeds from Long-Term Debt	2,681	-	-	2,681
Principal Payment on Long-Term Debt	(1,735)	(47)	-	(1,782)
Interest Paid on Long-Term Debt	(595)	(69)	-	(664)
Payments on Capital Lease	-	(6)	-	(6)
Acquisition of Capital Assets	(1,831)	(561)	-	(2,392)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(2,399)</u>	<u>(153)</u>	<u>-</u>	<u>(2,552)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,033	1,404	(739)	1,698
Cash and Cash Equivalents at Beginning of Year	5,152	4,074	11,320	20,546
Cash and Cash Equivalents at End of Year	<u>\$ 6,185</u>	<u>\$ 5,478</u>	<u>\$ 10,581</u>	<u>\$ 22,244</u>

**Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities**

Operating Income (Loss):	<u>\$ (612)</u>	<u>\$ (727)</u>	<u>\$ (752)</u>	<u>\$ (2,091)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Depreciation and Amortization	2,339	245	1	2,585
(Increase) Decrease in Assets:				
Accounts Receivable	63	(186)	(2,184)	(2,307)
Prepaid Items	(37)	-	(2,116)	(2,153)
Increase (Decrease) in Liabilities:				
Accounts Payable	204	191	98	493
Accrued Liabilities	44	-	-	44
Risk Claims	-	-	3,183	3,183
Other Post Retirement Benefits	992	987	124	2,103
Compensated Absences	(541)	(5)	2	(544)
Total Adjustments	<u>3,064</u>	<u>1,232</u>	<u>(892)</u>	<u>3,404</u>
Net Cash Flows Provided (Used) by Operating Activities	<u>\$ 2,452</u>	<u>\$ 505</u>	<u>\$ (1,644)</u>	<u>\$ 1,313</u>

## **FIDUCIARY FUNDS**

### **Agency Funds**

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

COUNTY OF MILWAUKEE  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For The Year Ended December 31, 2010  
(In Thousands)

	<u>January 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2010</u>
<b><u>CIVIL COURT ORDERED AGENCY FUND FOR FAMILY SUPPORT/PAYMENTS</u></b>				
Cash and Investments	\$ 10,540	\$ 87,801	\$ 69,625	\$ 28,716
<b>Total Assets</b>	<u>\$ 10,540</u>	<u>\$ 87,801</u>	<u>\$ 69,625</u>	<u>\$ 28,716</u>
Agency Deposits	\$ 10,540	\$ 61,547	\$ 43,371	\$ 28,716
<b>Total Liabilities</b>	<u>\$ 10,540</u>	<u>\$ 61,547</u>	<u>\$ 43,371</u>	<u>\$ 28,716</u>
<b><u>OTHER AGENCY FUNDS</u></b>				
Cash and Investments	\$ 9,169	\$ 484,074	\$ 488,749	\$ 4,494
Other Receivables	-	33,429	32,212	1,217
<b>Total Assets</b>	<u>\$ 9,169</u>	<u>\$ 517,503</u>	<u>\$ 520,961</u>	<u>\$ 5,711</u>
Accounts Payable	\$ 176	\$ 8,300	\$ 8,148	\$ 328
Agency Deposits	8,993	34,795	38,405	5,383
<b>Total Liabilities</b>	<u>\$ 9,169</u>	<u>\$ 43,095</u>	<u>\$ 46,553</u>	<u>\$ 5,711</u>
<b><u>SUMMARY</u></b>				
Cash and Investments	\$ 19,709	\$ 571,875	\$ 558,374	\$ 33,210
Other Receivables	-	33,429	32,212	1,217
<b>Total Assets</b>	<u>\$ 19,709</u>	<u>\$ 605,304</u>	<u>\$ 590,586</u>	<u>\$ 34,427</u>
Accounts Payable	\$ 176	\$ 8,300	\$ 8,148	\$ 328
Agency Deposits	19,533	96,342	81,776	34,099
<b>Total Liabilities</b>	<u>\$ 19,709</u>	<u>\$ 104,642</u>	<u>\$ 89,924</u>	<u>\$ 34,427</u>

**OTHER SUPPLEMENTARY INFORMATION**

**Milwaukee County Family Care  
Financial Statements**

COUNTY OF MILWAUKEE  
 Statements of Net Assets  
 Milwaukee County Family Care  
 For the Year Ended December 31, 2010  
 With Comparative Amounts for Year Ended December 31, 2009  
 (In Thousands)

	<u>2010</u>	<u>2009</u>
<b><u>Assets</u></b>		
Cash	\$ 102,094	\$ 20,378
Restricted Cash	11,432	6,158
Due from State - Prior Year Capitation	7,488	1,630
Member Receivable - Cost Share/Room & Board	2,257	2,295
Allowance for Member Receivable	(1,512)	(1,413)
Provider Receivable - Audits	405	594
Deposit Solvency Insurance	750	-
Security deposits	9	15
Inventory - Taxi Tickets	8	9
Accounts Receivable - Other	74	109
<b>Total Assets</b>	<b><u>\$ 123,005</u></b>	<b><u>\$ 29,775</u></b>
<b><u>Liabilities</u></b>		
Accounts Payable	\$ 2,608	\$ 2,490
Accrued Vacation/Sick Leave Liability	936	421
Member Cost - Incurred but not Reported	24,254	15,809
Due to State - Unearned Capitation	658	586
Deferred Capitation Revenue	79,134	1
<b>Total Liabilities</b>	<b><u>107,590</u></b>	<b><u>19,307</u></b>
<b>Net Assets</b>		
<b>Restricted For:</b>		
Working Capital Reserve	7,824	5,901
Restricted Reserve	3,608	-
Solvency & Risk Reserve	750	4,111
<b>Unrestricted - Designated For</b>		
Surplus Reserve	2,694	-
Capital Carryover Reserve	539	456
<b>Total Net Assets</b>	<b><u>15,415</u></b>	<b><u>10,468</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 123,005</u></b>	<b><u>\$ 29,775</u></b>

**COUNTY OF MILWAUKEE**  
**Statements of Revenues, Expenses and Changes in Net Assets**  
**Milwaukee County Family Care**  
**For the Year Ended December 31, 2010**  
**With Comparative Amounts for Year Ended December 31, 2009**  
**(In Thousands)**

	<u>2010</u>	<u>2009</u>
Operating Revenues:		
State/Fed Capitated Member Payment	\$ 236,364	\$ 193,784
Member Cost Share/ Room & Board	27,981	24,485
State Grants	50	-
Other Revenues	367	654
Total Operating Revenues	<u>264,762</u>	<u>218,923</u>
Operating Expenses:		
Direct - Member Service Costs	243,974	205,405
Indirect - Salaries and Fringe Benefits	7,185	5,924
Indirect - Outside Services	4,533	4,181
Indirect - Commodities and Supplies	233	54
Indirect - Inter-Dept Service Charges	3,890	3,148
Total Operating Expenses	<u>259,815</u>	<u>218,712</u>
Change in Net Assets	4,947	211
Net Assets -- Beginning	10,468	10,257
Net Assets -- Ending	<u>\$ 15,415</u>	<u>\$ 10,468</u>

COUNTY OF MILWAUKEE  
 Statements of Cash Flows  
 Milwaukee County Family Care  
 For the Year Ended December 31, 2010  
 With Comparative Amounts for Year Ended December 31, 2009  
 (In Thousands)

	<b>2010</b>	<b>2009</b>
Cash Flows Provided (Used) by Operating Activities:		
Receipts from Customers and Users	\$ 338,398	\$ 202,729
Receipts from Interfund Services	-	-
Payments to Suppliers	(240,848)	(210,964)
Payments to Employees	(6,670)	(5,749)
Payments for Interfund Services Used	(3,890)	(3,148)
Net Cash Flows Provided (Used) by Operating Activities	86,990	(17,132)
Net Increase (Decrease) in Cash and Cash Equivalents	86,990	(17,132)
Cash and Cash Equivalents at Beginning of Year	26,536	43,668
Cash and Cash Equivalents at End of Year	\$ 113,526	\$ 26,536
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
	\$ -	\$ -
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income	\$ 4,947	\$ 211
Adjustments to Reconcile Operating Income to Net Cash Flows Provided (Used) by Operating Activities:		
(Increase) Decrease in Assets:		
Due from State - Prior Year Capitation	(5,858)	(1,630)
Member Receivable - Cost Share/Room & Board	38	164
Allowance for Member Receivable	99	(172)
Provider Receivable - Audits	189	54
Deposit Solvency Insurance	(750)	-
Security deposits	6	4
Inventory - Taxi Tickets	1	19
Accounts Receivable - Other	35	174
Increase (Decrease) in Liabilities:		
Accounts Payable	118	345
Accrued Vacation/Sick Leave Liability	515	175
Member Cost - Incurred but not Reported	8,445	(246)
Due to State - Unearned Capitation	72	(1,446)
Deferred Capitation Revenue	79,133	(14,784)
Total Adjustments	82,043	(17,343)
Net Cash Flows Provided (Used) by Operating Activities	\$ 86,990	\$ (17,132)

**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 Eight Years Ended December 31,**  
**(In Thousands)**

	<u>2010</u>	<u>2009*</u>	<u>2008</u>	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Governmental Activities:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 269,272	\$ 198,007	\$ 222,474	\$ 207,437	\$ 215,539	\$ 239,957	\$ 252,316	\$ 251,485
Restricted For:								
Debt	7,332	6,220	10,757	6,071	3,594	2,415	8,130	6,862
Milwaukee County Family Care	12,182	10,012	6,142	5,779	-	-	-	-
Airport - PFC and Debt	26,921	22,179	34,082	32,603	34,128	34,155	-	-
Behavioral Health Division	8,360	8,978	9,344	9,671	-	-	-	-
Fleet and Facilities Divisions	6,183	6,499	-	-	-	-	-	-
Other	1,898	1,909	2,021	1,676	1,872	1,845	-	(20,064)
Unrestricted	(193,380)	(122,177)	(151,947)	(77,848)	(16,122)	(44,305)	(30,190)	-
<b>Subtotal Governmental Activities Net Assets</b>	<b>138,768</b>	<b>131,627</b>	<b>132,873</b>	<b>185,389</b>	<b>239,011</b>	<b>234,067</b>	<b>230,256</b>	<b>238,283</b>
<b>Business-type Activities:</b>								
Invested in Capital Assets, Net of Related Debt	206,417	178,590	177,253	182,931	194,022	174,016	206,060	196,792
Restricted For:								
Debt	14,836	14,253	14,000	13,049	12,061	10,328	9,505	8,190
Capital Asset Needs	5,057	5,113	5,115	5,121	4,120	3,414	-	-
Other	-	-	-	-	-	-	3,899	5,854
Unrestricted	9,924	5,256	2,777	2,496	5,424	25,999	3,268	2,831
<b>Subtotal Business-type Activities Net Assets</b>	<b>236,234</b>	<b>203,212</b>	<b>199,145</b>	<b>203,597</b>	<b>215,627</b>	<b>213,757</b>	<b>222,732</b>	<b>213,667</b>
<b>Primary Government :</b>								
Invested in Capital Assets, Net of Related Debt	475,689	376,597	399,727	390,368	409,561	413,973	458,376	448,277
Restricted For:								
Debt	22,168	20,473	24,757	19,120	15,655	12,743	17,635	15,052
Aging Care Maintenance Organization	12,182	10,012	6,142	5,779	-	-	-	-
Airport - PFC and Debt	26,921	22,179	34,082	32,603	34,128	34,155	-	-
Behavioral Health Division	8,360	8,978	9,344	9,671	-	-	-	-
Fleet and Facilities Divisions	6,183	6,499	-	-	-	-	-	-
Capital Asset Needs	5,057	5,113	5,115	5,121	4,120	3,414	-	-
Other	1,898	1,909	2,021	1,676	1,872	1,845	3,899	(14,210)
Unrestricted	(183,456)	(116,921)	(149,170)	(75,352)	(10,698)	(18,306)	(26,922)	2,831
<b>Total Primary Government Activities Net Assets</b>	<b>\$ 375,002</b>	<b>\$ 334,839</b>	<b>\$ 332,018</b>	<b>\$ 388,986</b>	<b>\$ 454,638</b>	<b>\$ 447,824</b>	<b>\$ 452,988</b>	<b>\$ 451,950</b>

**Notes:**

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

\*In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, they had been reported as part of the internal service funds.

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

Source: County of Milwaukee, Wisconsin Comprehensive Annual Financial Reports

**County of Milwaukee, Wisconsin**  
**Changes in Net Assets**  
**Last Eight Years Ended December 31,**  
**(Accrual Basis of Accounting)**  
**(In Thousands)**

	<u>2010</u>	<u>2009*</u>	<u>2008</u>	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Expenses (by Function):</b>								
<b>Governmental Activities:</b>								
Legislative, Executive and Staff	\$ 51,340	\$ 52,144	\$ 54,395	\$ 70,318	\$ 65,242	\$ 70,546	\$ 65,142	\$ 56,569
Courts and Judiciary	57,121	63,839	67,435	64,486	58,432	56,517	54,715	52,427
General Governmental Services	4,077	7,991	8,912	8,545	9,884	8,152	8,992	8,426
Public Safety	164,447	148,192	180,186	178,063	146,410	138,885	136,896	128,134
Public Works and Highways	66,641	93,756	81,522	80,433	64,445	88,133	82,543	77,079
Human Services	616,717	648,296	675,169	637,120	398,245	363,558	345,251	320,705
Parks, Recreation and Culture	77,221	83,520	85,321	81,779	72,361	69,150	69,861	70,609
Other		-	-	6,996	14,587	19,222	9,086	15,812
Interest on Long-term Debt	39,472	35,361	16,351	15,964	16,520	17,497	17,502	20,279
<b>Total Governmental Activities Expenses</b>	<b>1,077,036</b>	<b>1,133,099</b>	<b>1,169,291</b>	<b>1,143,704</b>	<b>846,126</b>	<b>831,660</b>	<b>789,988</b>	<b>750,040</b>
<b>Business-type Activities:</b>								
Airport	82,692	74,305	77,432	68,401	64,254	58,894	54,720	51,949
Transit	174,960	178,208	174,725	169,557	163,619	157,623	154,003	148,710
<b>Total Business-type Activities Expenses</b>	<b>257,652</b>	<b>252,513</b>	<b>252,157</b>	<b>237,958</b>	<b>227,873</b>	<b>216,517</b>	<b>208,723</b>	<b>200,659</b>
<b>Total Primary Government Expenses</b>	<b>1,334,688</b>	<b>1,385,612</b>	<b>1,421,448</b>	<b>1,381,662</b>	<b>1,073,999</b>	<b>1,048,177</b>	<b>998,711</b>	<b>950,699</b>
<b>Program Revenues (by Function):</b>								
<b>Governmental Activities:</b>								
Charges for Services:								
Legislative, Executive and Staff	1,786	5,811	4,806	10,153	8,838	10,494	10,397	7,777
Courts and Judiciary	4,622	4,758	6,209	4,854	3,597	3,527	3,574	3,176
General Governmental Services	4,243	4,782	5,181	5,785	6,314	7,144	6,132	6,922
Public Safety	9,992	10,500	11,337	6,494	5,233	3,938	4,962	4,532
Public Works and Highways	29,537	27,746	27,321	32,106	35,975	39,441	38,589	25,926
Human Services	328,101	286,763	319,912	286,465	179,628	163,613	133,412	110,966
Parks, Recreation and Culture	31,381	31,726	33,104	26,543	26,607	25,639	23,742	21,220
Other	-	-	-	-	-	-	-	-
Operating Grants and Contributions:								
Legislative, Executive and Staff	1,530	355	4,839	19,513	19,125	19,733	18,749	17,425
Courts and Judiciary	26,626	22,063	21,595	24,857	24,249	23,272	23,667	20,676
General Governmental Services	43	79	247	82	121	100	167	122
Public Safety	18,015	17,967	21,766	19,148	19,906	19,133	23,845	14,955
Public Works and Highways	17,526	16,913	17,280	23,170	24,976	37,612	21,399	8,568
Human Services	202,219	261,271	259,845	252,592	182,859	169,708	162,599	146,917
Parks, Recreation and Culture	1,382	680	4,001	1,272	1,368	1,227	1,480	(3,498)
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
Public Works and Highways	160	30,638	5,231	2,183	-	(74)	33,652	-
Human Services	-	-	-	-	-	-	-	-
Parks, Recreation and Culture	-	2,074	-	-	-	-	1,215	-
<b>Total Governmental Activities</b>	<b>677,163</b>	<b>724,126</b>	<b>743,838</b>	<b>716,263</b>	<b>538,796</b>	<b>527,991</b>	<b>512,416</b>	<b>391,928</b>
<b>Program Revenues</b>	<b>677,163</b>	<b>724,126</b>	<b>743,838</b>	<b>716,263</b>	<b>538,796</b>	<b>527,991</b>	<b>512,416</b>	<b>391,928</b>

**County of Milwaukee, Wisconsin**  
**Changes in Net Assets**  
**Last Eight Years Ended December 31,**  
**(Accrual Basis of Accounting)**  
**(In Thousands)**

	<u>2010</u>	<u>2009*</u>	<u>2008</u>	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><u>Program Revenues (by Function) continued:</u></b>								
<b><u>Business-type Activities:</u></b>								
Charges for Services:								
Airport	\$ 79,644	\$ 70,997	\$ 74,221	\$ 64,559	\$ 61,744	\$ 55,599	\$ 52,146	\$ 48,515
Transit	57,624	55,424	56,501	52,443	53,936	47,757	45,592	44,063
Operating Grants and Contributions:								
Airport	309	179	-	35	216	312	1,158	562
Transit	89,186	89,931	88,522	82,513	79,162	79,133	77,108	76,646
Capital Grants and Contributions:								
Airport	25,284	23,119	10,354	8,124	8,445	7,371	-	5,006
Transit	24,205	(5,536)	569	1,408	1,758	582	-	11,374
<b>Total Business-type Activities</b>								
<b>Program Revenues</b>	<u>276,252</u>	<u>234,114</u>	<u>230,167</u>	<u>209,082</u>	<u>205,261</u>	<u>190,754</u>	<u>176,004</u>	<u>186,166</u>
<b>Total Primary Government</b>								
<b>Program Revenues</b>	<u>953,415</u>	<u>958,240</u>	<u>974,005</u>	<u>925,345</u>	<u>744,057</u>	<u>718,745</u>	<u>688,420</u>	<u>578,094</u>
<b><u>Net (Expense)/ Revenue:</u></b>								
Governmental Activities	(399,873)	(408,973)	(425,453)	(427,441)	(307,330)	(303,668)	(277,572)	(358,112)
Business-type Activities	18,600	(18,399)	(21,990)	(28,876)	(22,612)	(25,763)	(32,719)	(14,493)
<b>Total Primary Net (Expense) / Revenue</b>	<u>(381,273)</u>	<u>(427,372)</u>	<u>(447,443)</u>	<u>(456,317)</u>	<u>(329,942)</u>	<u>(329,431)</u>	<u>(310,291)</u>	<u>(372,605)</u>
<b><u>General Revenues and Other Changes in Net Assets:</u></b>								
<b><u>Governmental Activities:</u></b>								
Taxes								
Property Taxes	266,973	260,724	251,495	243,144	234,317	228,628	220,612	221,265
Sales Taxes	61,534	59,258	67,112	63,613	63,654	62,673	60,498	59,788
Intergovernmental Revenues Not Related to								
Specific Programs	44,952	46,056	39,734	42,387	41,332	40,242	40,472	74,590
Investment Income	4,476	7,120	13,516	16,329	12,185	4,839	4,444	10,207
Gain on Sale of Capital Assets	-	-	146	96	93	93	725	182
Proceeds from Settlement of Lawsuit	-	29,000	-	-	-	-	-	-
Other Revenue	43,339	27,090	17,037	22,997	22,456	23,813	17,534	42,609
Transfers	(14,260)	(21,521)	(16,103)	(19,073)	(61,764)	(52,809)	(74,739)	(44,809)
<b>Total Governmental Activities</b>	<u>407,014</u>	<u>407,727</u>	<u>372,937</u>	<u>369,493</u>	<u>312,273</u>	<u>307,479</u>	<u>269,546</u>	<u>363,832</u>
<b><u>Business-type Activities:</u></b>								
Investment Income	162	945	1,417	2,070	1,698	1,001	794	872
Gain (Loss) on Sale of Capital Assets	-	-	18	29	31	31	32	(26)
Transfers	14,260	21,521	16,103	19,073	61,764	52,809	74,739	44,809
<b>Total Business-type Activities</b>	<u>14,422</u>	<u>22,466</u>	<u>17,538</u>	<u>21,172</u>	<u>63,493</u>	<u>53,841</u>	<u>75,565</u>	<u>45,655</u>
<b>Total Primary Government</b>	<u>421,436</u>	<u>430,193</u>	<u>390,475</u>	<u>390,665</u>	<u>375,766</u>	<u>361,320</u>	<u>345,111</u>	<u>409,487</u>
<b><u>Change in Net Assets:</u></b>								
Governmental Activities	7,141	(1,246)	(52,516)	(57,948)	4,944	3,811	(8,026)	5,720
Business-type Activities	33,022	4,067	(4,452)	(7,704)	40,881	28,078	42,846	31,162
<b>Total Primary Government</b>	<u>\$ 40,163</u>	<u>\$ 2,821</u>	<u>\$ (56,968)</u>	<u>\$ (65,652)</u>	<u>\$ 45,825</u>	<u>\$ 31,889</u>	<u>\$ 34,820</u>	<u>\$ 36,882</u>

**Notes:**

\*In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, they had been reported as separate internal service funds.

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

Source: County of Milwaukee, Wisconsin Comprehensive Annual Financial Reports

**County of Milwaukee, Wisconsin  
Fund Balances of Governmental Funds  
Last Ten Years Ended December 31,  
(In Thousands)**

	<u>2010</u>	<u>2009*</u>	<u>2008</u>	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>General Fund:</b>										
Reserved For:										
Reserved for 2012 Appropriations	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved for 2011 Appropriations	4,144	4,144	-	-	-	-	-	-	-	-
Reserved for 2010 Appropriations	-	4,144	4,144	-	-	-	-	-	-	-
Reserved for 2009 Appropriations	-	-	7,947	7,947	-	-	-	-	-	-
Reserved for 2008 Appropriations	-	-	-	4,901	4,901	-	-	-	-	-
Reserved for 2007 Appropriations	-	-	-	-	4,664	4,664	-	-	-	-
Reserved for 2006 Appropriations	-	-	-	-	-	(1,573)	(1,573)	-	-	-
Reserved for 2005 Appropriations	-	-	-	-	-	-	(3,534)	(3,534)	-	-
Reserved for 2004 Appropriations	-	-	-	-	-	-	-	4,010	4,010	-
Reserved for 2003 Appropriations	-	-	-	-	-	-	-	-	708	708
Reserved for 2002 Appropriations	-	-	-	-	-	-	-	-	-	3,305
Reserved for 2001 Appropriations	-	-	-	-	-	-	-	-	-	-
Reserved for Prepaid Items	-	-	-	-	-	-	-	-	-	-
Reserved for Encumbrances	5,092	6,205	9,349	11,810	22,617	15,516	9,208	8,685	7,970	9,054
Reserved for Milwaukee County Family Care	12,182	10,012	6,142	5,779	-	-	-	-	-	-
Reserved for Inventories	2,070	1,837	1,012	1,269	1,156	1,023	1,191	1,299	1,913	1,933
Reserved for Delinquent Property Tax	14,826	13,558	10,487	8,278	5,522	3,999	3,555	3,245	2,560	2,300
Unreserved:										
Designated for Economic Development	196	196	201	200	150	138	137	211	138	100
Designated for Housing	948	813	2,193	1,954	270	267	-	-	2	-
Designated for Family Care	3,233	437	4,115	4,919	-	-	-	-	-	-
Designated for Investments	2,476	2,561	3,480	1,217	-	-	-	506	2,017	2,017
<b>Subtotal General Fund</b>	<b>45,175</b>	<b>43,907</b>	<b>49,070</b>	<b>48,274</b>	<b>39,280</b>	<b>24,034</b>	<b>8,984</b>	<b>14,422</b>	<b>19,318</b>	<b>19,417</b>
<b>All Other Governmental Funds:</b>										
Reserved For:										
Reserved for Debt Service	7,332	6,220	10,757	6,071	5,573	2,979	8,130	12,006	19,116	12,274
Reserved for Encumbrances	98,216	64,468	11,595	17,983	7,987	8,455	12,302	13,834	28,041	36,244
Reserved for Other	-	-	-	-	-	-	23	-	-	-
Reserved for Health and Safety	136	136	136	112	70	46	-	-	-	-
Reserved for Zoo	711	652	685	587	553	541	559	664	794	1,114
Reserved for Parks	930	998	1,072	853	711	658	501	256	394	716
Reserved for Persons with Disabilities	121	123	128	124	115	122	101	102	104	92
Reserved for Behavioral Health Division**	8,360	8,978	9,344	9,671	423	478	490	536	540	517
Reserved for Airport - PFC and Debt	26,921	22,179	34,082	32,603	34,128	34,155	21,529	23,495	16,981	28,234
Reserved for Fleet and Facilities Divisions*	6,183	6,499	-	-	-	-	-	-	-	-
<b>Subtotal All Other Governmental Funds</b>	<b>148,910</b>	<b>110,253</b>	<b>67,799</b>	<b>68,004</b>	<b>49,560</b>	<b>47,434</b>	<b>43,635</b>	<b>50,893</b>	<b>65,970</b>	<b>79,191</b>
<b>Total Governmental Funds Balance</b>	<b>\$ 194,085</b>	<b>\$ 154,160</b>	<b>\$ 116,869</b>	<b>\$ 116,278</b>	<b>\$ 88,840</b>	<b>\$ 71,468</b>	<b>\$ 52,619</b>	<b>\$ 65,315</b>	<b>\$ 85,288</b>	<b>\$ 98,608</b>

\*In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, they had been reported as separate internal service funds.

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

Source: County of Milwaukee, Wisconsin Comprehensive Annual Financial Reports

**County of Milwaukee, Wisconsin**  
**Changes in Fund Balance-Governmental Funds**  
**Last Ten Years Ended December 31,**  
**(In Thousands)**

	<u>2010</u>	<u>2009*</u>	<u>2008</u>	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Revenues:</b>										
Intergovernmental	\$ 335,573	\$ 380,540	\$ 365,495	\$ 370,814	\$ 302,975	\$ 299,179	\$ 310,503	\$ 296,554	\$ 283,923	\$ 315,763
Property Taxes	266,973	260,724	251,495	243,144	234,317	228,628	220,612	221,265	220,430	209,178
Sales Taxes	61,534	59,258	67,112	63,613	63,654	62,673	61,123	59,788	58,122	57,941
Charges for Services	388,274	344,591	379,907	347,478	239,891	224,005	190,711	166,523	140,413	97,026
Fines and Forfeits	3,284	3,245	3,375	3,571	3,616	2,823	3,129	2,909	3,276	3,660
Licenses and Permits	640	453	978	552	634	442	443	413	399	440
Investment Income and Rents	11,540	11,352	17,679	20,411	16,288	8,741	7,952	10,207	16,656	19,003
Other	46,903	40,142	36,208	34,510	34,907	37,888	35,370	42,743	37,220	46,618
<b>Total Revenues</b>	<b>1,114,721</b>	<b>1,100,305</b>	<b>1,122,249</b>	<b>1,084,093</b>	<b>896,282</b>	<b>864,379</b>	<b>829,843</b>	<b>800,402</b>	<b>760,439</b>	<b>749,629</b>
<b>Expenditures:</b>										
Legislative, Executive and Staff	21,309	22,191	26,688	36,094	37,729	38,774	38,246	39,257	39,462	32,577
Courts and Judiciary	55,384	59,984	69,274	61,120	56,964	57,456	55,748	52,862	50,889	39,753
General Governmental Services+A24	6,747	7,395	7,628	7,886	7,731	8,203	6,608	6,775	6,662	4,267
Public Safety	154,196	146,994	166,832	147,082	136,634	136,398	135,596	126,758	122,089	100,006
Public Works and Highways*	50,676	64,062	28,482	28,621	19,154	16,532	16,553	13,489	13,008	10,370
Human Services**	611,136	628,574	657,004	618,062	394,619	362,770	345,208	322,025	283,826	261,461
Parks, Recreation and Culture	64,062	66,806	66,799	66,414	64,194	62,984	62,485	66,853	68,574	53,095
Other	-	-	10,905	3,231	10,102	18,737	37,663	8,097	9,539	52,278
Capital Outlay	80,584	56,994	49,938	33,587	45,608	48,182	77,409	81,413	103,373	83,342
Debt Service:										
Principal Retirement	70,227	48,164	38,677	31,063	28,437	24,657	20,132	35,826	26,733	36,150
Interest	28,011	32,215	15,476	15,473	15,025	16,232	16,035	18,267	16,570	19,199
<b>Total Expenditures</b>	<b>1,142,332</b>	<b>1,133,379</b>	<b>1,137,703</b>	<b>1,048,633</b>	<b>816,197</b>	<b>790,925</b>	<b>811,683</b>	<b>771,622</b>	<b>740,725</b>	<b>692,498</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(27,611)</b>	<b>(33,074)</b>	<b>(15,454)</b>	<b>35,460</b>	<b>80,085</b>	<b>73,454</b>	<b>18,160</b>	<b>28,780</b>	<b>19,714</b>	<b>57,131</b>
<b>Other Financing Sources (Uses):</b>										
General Obligation Bonds Issued	82,983	90,000	30,860	33,625	31,595	24,610	26,950	25,623	40,783	40,356
Contribution from Reserves	-	-	-	-	-	-	-	-	-	-
Premium/(Discount) on Debt Issued	-	(80)	31	-	2,121	518	-	(80)	-	-
Refunding Bonds Issued	-	-	3,252	-	-	55,248	-	114,270	51,402	43,557
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	(54,821)	-	(82,326)	(49,857)	(43,042)
Payment on Current Refunded Bonds	-	(9,214)	-	-	-	-	-	(30,943)	-	-
Pension Obligation Bonds Issued	-	400,000	-	-	-	-	-	-	-	-
Contribution to Employee Retirement System	-	(426,692)	-	-	-	-	-	-	-	-
Debt Issuance Costs	-	-	-	-	-	-	-	-	-	-
Proceeds from Legal Settlement	-	29,000	-	-	-	-	-	-	-	-
Wisconsin State Trust Fund Bonds Issued	-	-	-	-	-	-	18,627	-	-	-
Transfers In	189,446	89,852	54,950	137,797	42,366	58,972	42,090	44,950	57,147	93,066
Transfers Out	(204,893)	(102,501)	(73,048)	(190,547)	(138,795)	(139,132)	(118,523)	(120,247)	(132,509)	(190,728)
<b>Total Other Financing Sources (Uses)</b>	<b>67,536</b>	<b>70,365</b>	<b>16,045</b>	<b>(19,125)</b>	<b>(62,713)</b>	<b>(54,605)</b>	<b>(30,856)</b>	<b>(48,753)</b>	<b>(33,034)</b>	<b>(56,791)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 39,925</b>	<b>\$ 37,291</b>	<b>\$ 591</b>	<b>\$ 16,335</b>	<b>\$ 17,372</b>	<b>\$ 18,849</b>	<b>\$ (12,696)</b>	<b>\$ (19,973)</b>	<b>\$ (13,320)</b>	<b>\$ 340</b>

**Debt Service as a Percentage of  
Noncapital Expenditures**

	<b>9.25%</b>	<b>7.47%</b>	<b>4.98%</b>	<b>4.58%</b>	<b>5.64%</b>	<b>5.51%</b>	<b>4.93%</b>	<b>7.84%</b>	<b>6.79%</b>	<b>9.09%</b>
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\*In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, they were reported as separate internal service funds.

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

**County of Milwaukee, Wisconsin  
Property Tax Levies and Collections  
Last Ten Years Ended December 31,  
(In Thousands)**

<u>Tax Levy Year</u>	<u>Tax Budget Year</u>	<u>Total Tax Levy</u>	<u>Tax Collections From Municipalities</u>	<u>Percent of Tax Collections From Municipalities</u>	<u>Total Delinquent Tax</u>	<u>Delinquent Tax Collections Through 12/31/10</u>	<u>Delinquent Tax Balance As of 12/31/10</u>	<u>Total Tax Collections Through 12/31/10</u>	<u>Percent of Total Tax Collections Through 12/31/10</u>
2000	2001	\$ 207,470	\$ 200,159	96.48%	\$ 7,311	\$ 7,273	\$ 38	\$ 207,432	99.98%
2001	2002	219,541	211,125	96.17%	8,416	8,377	39	219,502	99.98%
2002	2003	220,327	213,020	96.68%	7,307	7,241	66	220,261	99.97%
2003	2004	220,259	212,312	96.39%	7,947	7,841	106	220,153	99.95%
2004	2005	226,721	219,183	96.68%	7,538	7,376	162	226,559	99.93%
2005	2006	233,430	223,930	95.93%	9,500	8,959	541	232,889	99.77%
2006	2007	241,882	230,955	95.48%	10,927	10,064	863	241,019	99.64%
2007	2008	250,733	237,137	94.58%	13,596	11,460	2,136	248,597	99.15%
2008	2009	258,479	243,129	94.06%	15,350	10,553	4,797	253,682	98.14%
2009	2010	264,102	248,351	94.04%	15,751	4,933	10,818	253,284	95.90%

Taxes are levied to the municipalities in Milwaukee County in December of the tax levy year and used in the following year's budget. The municipalities collect the tax payments and forward payments to Milwaukee County beginning in January following the tax levy year. Towards the end of the year following the tax levy year, the outstanding tax balances, (which are considered delinquent), are transferred from the municipalities to Milwaukee County for collection. The tax collections from municipalities are considered as current collections.

Taxes levied in 2010 for the 2011 budget year were \$270,386, which the municipalities began forwarding payments to Milwaukee County starting January 2011.

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

**County of Milwaukee, Wisconsin  
Equalized Value of Taxable Property  
Last Ten Years Ended December 31,  
(In Thousands)**

Year	Real Property							Subtotal Real Property	Personal Property	Total
	Residential	Commercial	Manufacturing	Agricultural	Undeveloped	Forest	Other			
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
2009	43,426,050	19,907,219	1,487,194	1,169	2,059	149	25,583	64,849,423	1,986,731	66,836,154
2010	40,952,804	18,922,989	1,520,372	1,141	1,956	97	24,048	61,423,407	1,980,103	63,403,510

The totals represent the values from 1/2 of the previous year to 1/1 of the year listed. The 2010 year totals are from 1/2/09 through 1/1/10.

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



**County of Milwaukee, Wisconsin  
Property Tax Rates  
Last Ten Years Ended December 31,  
(Rate Per 1,000 of Assessed Value)**

<b>Tax Levy Year</b>	<b>Tax Budget Year</b>	<b>General County Purposes</b>	<b>State Forestry and SEWRPC Tax</b>	<b>Total Rate</b>
<b>2001</b>	<b>2002</b>	\$ 5.52	\$ 0.22	\$ 5.74
<b>2002</b>	<b>2003</b>	5.36	0.22	5.58
<b>2003</b>	<b>2004</b>	5.07	0.22	5.29
<b>2004</b>	<b>2005</b>	4.76	0.22	4.98
<b>2005</b>	<b>2006</b>	4.54	0.22	4.76
<b>2006</b>	<b>2007</b>	4.24	0.20	4.44
<b>2007</b>	<b>2008</b>	3.91	0.19	4.10
<b>2008</b>	<b>2009</b>	3.88	0.17	4.05
<b>2009</b>	<b>2010</b>	3.95	0.18	4.13
<b>2010</b>	<b>2011</b>	4.13	0.19	4.32

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  
Property Tax Rates by Municipality  
Last Ten Years Ended December 31,  
(Rate Per 1,000 of Assessed Value)**

<b>Tax Levy Year</b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
<b>Tax Budget Year</b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
Milwaukee County	\$ 4.32	\$ 4.13	\$ 4.05	\$ 4.10	\$ 4.44	\$ 4.76	\$ 4.98	\$ 5.29	\$ 5.58	\$ 5.74
<b><u>Villages:</u></b>										
Bayside - (1)	23.51	23.19	21.53	21.21	22.28	22.98	25.17	25.04	28.45	27.22
Brown Deer	27.99	25.60	24.43	28.99	27.24	27.22	26.64	83.45	31.00	32.07
Fox Point - (1)	24.51	27.15	26.58	26.52	25.51	25.39	25.66	24.61	35.63	33.25
Greendale	25.16	24.53	23.13	23.25	23.47	24.15	27.76	28.30	28.60	28.52
Hales Corners	22.59	22.19	21.22	20.94	27.05	27.20	26.32	25.90	32.51	31.84
River Hills - (1)	23.29	23.23	21.06	22.30	21.86	22.81	22.14	30.56	30.15	30.00
Shorewood	23.60	24.63	23.60	23.46	33.76	32.27	33.75	33.27	32.17	29.78
West Milwaukee	28.53	28.66	27.78	27.89	27.19	33.36	32.19	31.80	30.46	38.38
Whitefish Bay	22.30	21.30	20.28	20.12	27.71	34.49	34.36	35.80	36.45	37.59
<b><u>Cities:</u></b>										
Cudahy	23.95	24.13	24.16	25.22	23.64	24.05	26.71	26.32	27.91	28.27
Franklin - (2)	24.76	25.12	24.38	22.57	26.19	26.75	26.43	30.13	30.34	28.97
Glendale - (1)	24.57	24.12	23.87	22.85	22.38	22.27	29.92	28.27	26.53	26.48
Greenfield - (1)	22.40	21.58	27.09	25.88	25.70	25.88	25.23	24.30	31.46	30.93
Milwaukee	26.57	25.98	24.03	23.13	22.42	24.50	25.86	26.17	27.25	29.56
Oak Creek	20.29	20.57	20.19	19.29	22.15	21.50	22.53	27.21	26.73	26.80
St. Francis	24.33	24.69	27.72	26.86	25.68	25.68	26.02	34.10	33.76	31.58
South Milwaukee	22.89	22.38	21.81	21.29	27.90	27.53	26.55	25.09	24.93	29.40
Wauwatosa	21.84	21.15	20.32	20.03	19.28	26.08	25.08	24.64	23.49	31.49
West Allis	26.11	24.59	23.79	23.57	22.73	26.28	26.29	28.60	27.83	31.33

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

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

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

**County of Milwaukee, Wisconsin**  
**Weighted Average of Property Taxes to Full Value**  
**For the Year Ended December 31, 2010**  
**(In Thousands)**

	<b>2010 Full Value Excluding TIF</b>	<b>2010 Property Tax After State Credit</b>	<b>2010 Weighted Average</b>
<b><u>Villages:</u></b>			
Bayside - (1)	\$ 615,319	\$ 15,024	0.000247386
Brown Deer	1,038,268	28,152	0.000463552
Fox Point - (1)	1,062,263	25,675	0.000422769
Greendale	1,310,876	32,936	0.000542329
Hales Corners	638,681	15,947	0.000262591
River Hills - (1)	512,856	11,689	0.000192476
Shorewood	1,389,476	37,868	0.000623539
West Milwaukee	313,467	10,129	0.000166791
Whitefish Bay	1,967,419	44,711	0.000736225
<b><u>Cities:</u></b>			
Cudahy	1,010,544	31,130	0.000512595
Franklin - (2)	3,393,827	87,148	0.001434999
Glendale - (1)	1,905,571	54,628	0.000899517
Greenfield - (1)	2,937,205	72,249	0.001189670
Milwaukee	28,452,003	744,917	0.012265946
Oak Creek	3,055,915	67,278	0.001107821
St. Francis	649,558	16,490	0.000271531
South Milwaukee	1,268,925	32,225	0.000530623
Wauwatosa	5,206,270	121,029	0.001992885
West Allis	4,002,025	106,538	0.001754274
<b>TOTALS</b>	<b>\$ 60,730,467</b>	<b>\$ 1,555,764</b>	<b>0.025617521</b>

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

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

Source: Wisconsin Department of Revenue/Report/Property Tax/Town,Village, City Taxes 2010.

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

**(Total Milwaukee County Equalized Value for Year 2010 is \$63,403,510)**

<u>Company:</u>	<u>Type of Business</u>	<b>2010 Full Market Value</b>	<b>Percent of County Equalized Value</b>
Bayshore Town Center LLC	Real estate	\$ 336,640	0.53%
Northwestern Mutual Life Insurance Co.	Insurance	328,872	0.52%
Mayfair Property, Inc.	Shopping Mall	286,820	0.45%
US Bank Corp.	Banking	261,663	0.41%
Bre Southridge Mall LLC	Real Estate	132,880	0.21%
Columbia St. Mary's	Health Care	132,468	0.21%
Metropolitan Associates	Real Estate	131,235	0.21%
Marcus Corp / Milw. City Center / Pfister	Hotels, Theaters	111,318	0.18%
Wheaton Franciscan Services	Health Care	109,329	0.17%
Town Realty	Real Estate	96,597	0.15%
NNN 411 East Wisconsin LLC	Real Estate	95,278	0.15%
Wal-Mart / Sam's Club	Retailer	85,974	0.14%
Centerpoint Properties	Real Estate	72,685	0.11%
M&I Marshall & Ilsley Bank	Banking	71,355	0.11%
Mandel Group	Real Estate	70,131	0.11%

**(Total Milwaukee County Equalized Value for the tenth year 2001 is \$41,774,112)**

<u>Company:</u>	<u>Type of Business</u>	<b>2001 Full Market Value</b>	<b>Percent of County Equalized Value</b>
First Security Bank	Banking	\$ 211,398	0.51%
Northwestern Mutual Life Insurance Co.	Insurance	184,916	0.44%
Mayfair Property, Inc.	Shopping Mall	178,621	0.43%
Teachers Insurance & Annuity	Insurance	141,911	0.34%
JMB Realty Company	Real Estate	123,912	0.30%
Marcus Corporation	Hotels, Theaters and Restaurants	105,880	0.25%
Harley Davidson	Manufacturer	105,171	0.25%
M&I Marshall & Ilsley Bank	Banking	103,720	0.25%
Towne Realty	Real Estate	98,166	0.23%
Metropolitan Associates	Real Estate	98,867	0.24%
Great Lakes	Real Estate	82,528	0.20%
Miller Brewing Company	Mfg., Beer and Aluminum Containers	71,771	0.17%
Rockwell Automation (fka Allen Bradley)	Mfg., Electrical / Electronic Products	60,013	0.14%
Banc One Wisconsin Corp	Banking	59,956	0.14%
100 E. Wisconsin Avenue Joint Venture	Real Estate	59,084	0.14%

Source: Wisconsin Department of Revenue

**County of Milwaukee, Wisconsin  
Outstanding Debt by Type  
Last Ten Years Ended December 31,  
(In Thousands)**

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>			<u>Total Primary Government</u>	<u>Total Personal Income (1)</u>	<u>Percentage of Personal Income</u>	<u>Population</u>	<u>Debt Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>					
2001	\$ 418,523	\$ -	\$ 68,393	\$ 83,565	\$ -	\$ 570,481	\$ 28,575,875	2.00%	940	\$ 607
2002	420,987	-	69,352	80,355	-	570,694	29,331,494	1.95%	941	606
2003	405,168	-	65,861	83,457	-	554,486	29,889,120	1.86%	941	589
2004	425,707	-	62,092	115,797	-	603,596	30,600,767	1.97%	939	643
2005	420,674	-	58,917	146,987	-	626,578	31,393,023	2.00%	939	667
2006	418,112	-	45,891	170,619	-	634,622	33,341,608	1.90%	937	677
2007	422,851	-	29,475	184,213	400	636,939	34,198,399	1.86%	937	680
2008	410,818	4,503	26,443	176,815	245	618,824	35,409,518	1.75%	938	659
2009	836,667	4,077	29,880	183,630	381	1,054,635	35,586,784	2.96%	932	1,132
2010	849,805	4,774	35,374	208,588	390	1,098,931	not released		928	1,184

(1) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis (BEA), Regional Income Division, Local Area Personal Income and Employment, CA04 - Personal Income and Employment Summary Report. In August 2011, the BEA plans to release local area statistics for 2010.

**County of Milwaukee, Wisconsin**  
**Ratio of General Obligation Bonded Debt to Equalized Valuation**  
**And General Obligation Bonded Debt Per Capita**  
**Last Ten Years Ended December 31,**  
**(In Thousands)**

<u>Year</u>	<u>Population (1)</u>	<u>Equalized Value (2)</u>	<u>General Obligation Bonded Debt</u>	<u>Percent of Debt to Equalized Value</u>	<u>Bonded Debt Per Capita</u>
2001	940	\$ 41,774,112	\$ 486,916	1.17%	\$ 518
2002	941	44,279,624	490,339	1.11%	521
2003	941	47,266,665	471,029	1.00%	501
2004	939	51,153,360	487,799	0.95%	519
2005	939	56,680,686	479,591	0.85%	511
2006	937	63,609,182	464,003	0.73%	495
2007	937	67,119,283	452,326	0.67%	483
2008	938	68,224,068	437,261	0.64%	466
2009	932	66,836,154	866,547	1.30%	930
2010	928	63,403,510	885,179	1.40%	954

(1) Source: State of Wisconsin - Dept. of Administration - Intergovernmental Relations  
Per County Final Populations Estimates - (calculated as of January 1st of the respective year)

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

**County of Milwaukee, Wisconsin  
Computation of Legal Debt Margin  
Last Ten Years Ended December 31,  
(In Thousands)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Equalized Valuation as Determined by the Supervisor of Assessments of the Wisconsin Department of Revenue	\$ 63,403,510	\$ 66,836,154	\$ 68,224,068	\$ 67,119,283	\$ 63,609,182
Debt Limit Rate	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
Debt Limit	<u>3,170,176</u>	<u>3,341,808</u>	<u>3,411,203</u>	<u>3,355,964</u>	<u>3,180,459</u>
Bonds and Notes Outstanding:					
General Obligation Bonds and Notes*	<u>885,023</u>	<u>(866,547)</u>	<u>(437,261)</u>	<u>(452,326)</u>	<u>(456,597)</u>
<b>Legal Debt Margin</b>	<b><u><u>\$ 4,055,199</u></u></b>	<b><u><u>\$ 2,475,261</u></u></b>	<b><u><u>\$ 2,973,942</u></u></b>	<b><u><u>\$ 2,903,638</u></u></b>	<b><u><u>\$ 2,723,862</u></u></b>

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Equalized Valuation as Determined by the Supervisor of Assessments of the Wisconsin Department of Revenue	\$ 56,680,686	\$ 51,153,360	\$ 47,266,665	\$ 44,279,624	\$ 41,774,112
Debt Limit Rate	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
Debt Limit	<u>2,834,034</u>	<u>2,557,668</u>	<u>2,363,333</u>	<u>2,213,981</u>	<u>2,088,706</u>
Bonds and Notes Outstanding:					
General Obligation Bonds and Notes*	<u>(473,723)</u>	<u>(482,859)</u>	<u>(467,444)</u>	<u>(487,129)</u>	<u>(486,916)</u>
<b>Legal Debt Margin</b>	<b><u><u>\$ 2,360,311</u></u></b>	<b><u><u>\$ 2,074,809</u></u></b>	<b><u><u>\$ 1,895,889</u></u></b>	<b><u><u>\$ 1,726,852</u></u></b>	<b><u><u>\$ 1,601,790</u></u></b>

**County of Milwaukee, Wisconsin**  
**Direct and Overlapping Bonded Debt- General Obligation Bonds**  
**For the Year Ended December 31, 2010**  
**(In Thousands)**

	<u>Net Debt</u> <u>Outstanding</u>	<u>Percent</u> <u>Applicable</u> <u>to County</u>	<u>Amount</u> <u>Applicable</u> <u>to County</u>
<b><u>Direct:</u></b>			
County of Milwaukee (Governmental-activities only)	\$ 849,805	100.00%	\$ 849,805
 <b><u>Overlapping:</u></b>			
<b><u>Villages:</u></b>			
Bayside	10,254	96.12%	9,856
Brown Deer	9,644	100.00%	9,644
Fox Point	13,365	100.00%	13,365
Greendale	-	100.00%	-
Hales Corners	8,277	100.00%	8,277
River Hills	3,260	100.00%	3,260
Shorewood	23,154	100.00%	23,154
West Milwaukee	6,938	100.00%	6,938
Whitefish Bay	33,827	100.00%	33,827
<b><u>Cities:</u></b>			
Cudahy	32,605	100.00%	32,605
Franklin	39,890	100.00%	39,890
Glendale	16,323	100.00%	16,323
Greenfield	29,184	100.00%	29,184
Milwaukee	696,254	100.00%	696,254
Oak Creek	13,150	100.00%	13,150
South Milwaukee	44,140	100.00%	44,140
St. Francis	-	100.00%	-
Wauwatosa	40,936	100.00%	40,936
West Allis	79,997	100.00%	79,997
<b><u>School Districts:</u></b>			
Brown Deer	22,643	100.00%	22,643
Cudahy	13,801	100.00%	13,801
Foxpoint / Bayside	7,755	97.89%	7,591
Franklin	8,590	100.00%	8,590
Glendale - River Hills	5,300	100.00%	5,300
Greendale	18,674	100.00%	18,674
Greenfield	58,270	100.00%	58,270
Maple Dale / Indian Hill	3,230	100.00%	3,230
Milwaukee Area Technical College	101,275	82.02%	83,065
Milwaukee Public	146,293	99.99%	146,284
Nicolet High School	2,222	99.41%	2,209
Oak Creek / Franklin	58,700	100.00%	58,700
St. Francis	15,215	100.00%	15,215
Shorewood	14,785	100.00%	14,785
South Milwaukee	44,140	100.00%	44,140
Wauwatosa	2,565	100.00%	2,565
West Allis / West Milwaukee	43,756	93.57%	40,943
Whitefish Bay	20,710	100.00%	20,710
Whitnall	2,515	100.00%	2,515
<b>Metropolitan Sewerage District</b>	<u>983,785</u>	99.92%	<u>983,038</u>
<b>Total Overlapping Debt</b>	<u><b>2,675,422</b></u>	<b>99.16%</b>	<u><b>2,653,068</b></u>
<b>Total Debt</b>	<u><b>\$ 3,525,227</b></u>	<b>99.37%</b>	<u><b>\$ 3,502,873</b></u>

Source: Milwaukee County Dept of Admin, 2/11 survey of taxing jurisdictions



**County of Milwaukee, Wisconsin  
Demographic and Economic Statistics  
Last Ten Years Ended December 31,**

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2) (in Thousands)</u>	<u>Per Capita Personal Income (2)</u>	<u>Public School Enrollment (3)</u>	<u>Private School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2001	939,919	\$ 28,575,875	\$ 30,266	150,778	39,408	5.3%
2002	941,091	29,331,494	30,929	151,303	39,250	6.6%
2003	941,301	29,889,120	31,427	152,380	38,569	7.0%
2004	939,358	30,600,767	32,134	152,712	37,323	6.3%
2005	938,995	31,393,023	33,001	147,123	38,198	5.8%
2006	936,892	33,341,608	35,009	147,773	38,434	5.6%
2007	937,324	34,198,399	35,916	146,269	38,363	5.6%
2008	938,490	35,409,518	37,118	143,566	39,801	5.6%
2009	931,830	35,586,784	37,088	141,942	39,795	9.3%
2010	928,449	not released	not released	140,241	39,996	9.6%

(1) Source: State of Wisconsin - Dept. of Administration - Intergovernmental Relations  
Per County Final Populations Estimates - (calculated as of January 1st of the respective year)

(2) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis (BEA), Regional Income Division,  
Local Area Personal Income and Employment, CA04 - Personal Income and Employment Summary  
Report. In August 2011, the BEA plans to release local area statistics for 2010.

(3) Source: Wisconsin Dept. of Public Instruction - Data - Demographics / Enrollment Reports  
Enrollment is a headcount of students who are physically attending schools or receiving homebound  
instruction as of the third Friday in September. The 2010 enrollment represents the 2009 - 2010 school year.  
The 2011 enrollment data for the 2010 - 2011 school year is 140,704 public and 39,408 private.

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

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

**For the Year Ended December 31, 2010\***

<b><u>Employer:</u></b>	<b>Type of Business or Service</b>	<b>Number of Employees</b>
Aurora Health Care, Inc.	Health Care System	21,570
Wheaton Franciscan Healthcare	Health Care System	8,377
Roundy's Supermarkets, Inc.	Retail Supermarkets	6,800
Froedert and Community Health	Health Care System	6,090
Northwestern Mutual Life Insurance Company	Insurance and Investment Products	5,000
Children's Hospital	Health Care System	4,992
The Medical College of Wisconsin	Private Medical School	4,800
AT&T Wisconsin	Telecommunications Services	4,200
Columbia St. Mary's Health System	Health Care System	4,127
Wisconsin Energy Corp.	Electrical and Natural Gas Utilities	4,060

**For the Tenth Year Ended December 31, 2001\*\***

<b><u>Employer:</u></b>	<b>Type of Business or Service</b>	<b>Number of Employees</b>
Milwaukee Public Schools	Education	11,704
Aurora Health Care, Inc.	Health Care	10,924
City of Milwaukee	Government	7,650
U.S. Government (Excludes Zablocki Medical Center)	Government	7,542
Milwaukee County	Government	6,510
Covenant Health Care	Health Care	5,589
M&I Marshall & Illsley	Banking / Finance and Data Svcs	5,101
Northwestern Mutual Life Insurance Company	Insurance	4,144
University of Wisconsin-Milwaukee	Education	4,104
Rockwell Automation (fka Allen-Bradley)	Manufacturer, Electrical / Electronic Products	3,740

\*Source: The Business Journal's Book of Lists 2010, dated December 24, 2010

Note: 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: Milwaukee County Department of Administration, January 2002 survey of taxing jurisdictions.

**County of Milwaukee, Wisconsin  
County Employees by Function  
Last Ten Years Ended December 31,**

<b>Function:</b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
Legislative, Executive and Staff	254	296	311	343	371	369	356	373	400	440
Courts and Judiciary	427	423	423	433	456	471	475	510	466	541
General Governmental Services	63	56	60	69	68	67	63	69	68	69
Public Safety	1,430	1,507	1,554	1,531	1,553	1,577	1,604	1,701	1,791	1,789
Public Works and Highways	546	578	585	587	583	646	639	657	722	721
Health and Human Services	1,647	1,771	1,825	1,799	1,818	1,820	1,771	1,887	1,990	2,092
Parks, Recreation and Culture	643	587	658	660	612	620	654	683	813	858
<b>Total</b>	<b><u>5,010</u></b>	<b><u>5,218</u></b>	<b><u>5,416</u></b>	<b><u>5,422</u></b>	<b><u>5,461</u></b>	<b><u>5,570</u></b>	<b><u>5,562</u></b>	<b><u>5,880</u></b>	<b><u>6,250</u></b>	<b><u>6,510</u></b>
Percentage Increase (Decrease) From Previous Year	<b><u>-3.99%</u></b>	<b><u>-3.66%</u></b>	<b><u>-0.11%</u></b>	<b><u>-0.71%</u></b>	<b><u>-1.96%</u></b>	<b><u>0.14%</u></b>	<b><u>-5.41%</u></b>	<b><u>-5.92%</u></b>	<b><u>-3.99%</u></b>	<b><u>-4.69%</u></b>

Source: County of Milwaukee, Wisconsin Payroll System

**County of Milwaukee, Wisconsin  
Operating Indicators by Function  
For the Year Ended December 31, 2010**

**LEGISLATIVE, EXECUTIVE, AND STAFF**

<b><u>AUDIT</u></b>			
Financial / Internal Control Audits (hrs)	654	Special Projects / Hotline Activities (hrs)	2,440
Performance Audits (hrs)	12,240	Accounts Reconciled	732
<b><u>PROCUREMENT</u></b>			
Purchase Orders	1,824	Request for Proposal	1
Formal Bids	33	Quotes	26
Informal Bids	18	General Awards	991
<b><u>HUMAN RESOURCES</u></b>			
Tuition Loans Processed	63	Certification Requests Processed	414
On-Line Applications Processed	26,356	Current Positions Studied for Proper Classification	32
Job Requisitions Requested	414	New Positions Studied for Proper Classification	25

**COURTS AND JUDICIARY**

<b><u>REGISTER IN PROBATE</u></b>			
Civil Commitments - Adult	5,673	Trusts	39
Civil Commitments - Juvenile	972	Special Administration, Summary Proceedings	315
Guardianship / Conservatorship	278	Descent / Life Estate	6
Protective Placement	290	Adult Adoption	8
Annual Review of Protective Placement	1,462	Wills Deposited For Safekeeping	150
Informal Administration	1,092	Temporary Guardianships	63
Formal Administrations	147	Ancillary Proceedings	3

**GENERAL GOVERNMENTAL SERVICES**

<b><u>ELECTION COMMISSION</u></b>			
Elections	4	Challenges to Nomination Papers and Recall Petitions	0
Special Elections	2	Recall Elections / Petitions / Hearings	0
Recount Elections	2	Statistical Booklet	0
State / Cty / Mun / SchBd Referendum	1	Elections requiring Braille Ballots	3
Campaign Finance Statements	182	Election Commission Meetings	3
Nomination Papers Received	11	State / County Joint Hearings	0
Election Ballot Set-up / Proofing	6		
<b><u>TREASURER</u></b>			
Checks Issued	95,226	Delinquent Tax Notices Processed	8,301
Lost Checks / Stop Payments	443	Tax Forms Furnished	856,484
Property Tax Receipts Issued	6,940		
<b><u>REGISTER OF DEEDS</u></b>			
With Transfer Fee	9,634	E-Docs % of Total Documents	36
Without Transfer Fee	7,845	Total Records	123,084
Total Transfer Fees	5,556,137	Births	15,615
Average Real Estate Sale Price	192,240	Marriages	4,247
Foreclosures (Lis Pendens)	7,167	Domestic Partnerships	67
Wisc Commerce Department Stipulations	757	Deaths	9,266
Total Mortgages	30,978	Copies Issued - Paid	91,564
Assignments	8,015	Copies Issued - Free	207
Partial Release	780	Subdivision Plats No.	1
Release	35,677	Subdivision Plats Lots	7
Land Contracts	122	Condominium Plats No.	15
Sheriff Deeds	3,053	Condominium Plats Units	86
Joint Tenancy Survivorship	1,431	Copies and Images - Revenue	406,563
Federal Tax Liens	3,225	Recorded Documents - Revenue	1,541,419
Financing Statements	880	Vital Statistics - Revenue	395,530
Military Discharge	40	County Share Transfer Fees - Revenue	1,112,513
Electronic Recording	43,816		

**County of Milwaukee, Wisconsin  
Operating Indicators by Function  
For the Year Ended December 31, 2010**

**GENERAL GOVERNMENTAL SERVICES - (Cont'd)**

**COUNTY CLERK**

Marriage Licenses	4,607	Contractor Lien Notices / Vendor Tax Levies	56
Domestic Partnerships	74	Contractor Qualification Statements	117
Marriage License / Domestic Partnerships Waivers	255	Claims Processed	314
Marriage License / Domestic Partnerships Duplicates	75	Summons and Complaints Processed	184
Marriage Civil Ceremonies	1,012	Construction Bid Notices	104
County Board Files	472	Legal Documents Assigned to Central Files	93
County Ordinances	10	Lobbying Registrations	52
County Board Proceedings Pages	1,128	Passport Applications Accepted	778
Employee Garnishments	2,503	Passport Photos	367
Employee Wage Assignments	7,309	Oaths of Office Administered	65
Employee Tax Levies	155	DNR Licenses Sold	222
Employment Verifications	158	Documents Notarized	4,876

**PUBLIC SAFETY**

**MEDICAL EXAMINER**

Autopsies	1,056	Tissue Room Rental	72
Death Certificates	1,623	Autopsy Referrals	67
Cremation Permits	3,591	Death Investigated	5,380

**DISTRICT ATTORNEY**

Felony Cases Filed	6,194	CHIPS Cases Filed	1,500
Misdemeanor Cases Filed	7,590	Juvenile Delinquency Cases Filed	1,555
Criminal Traffic Cases Filed	3,446	Termination of Parental Rights Cases Filed	281

**SHERIFF**

Traffic Citations	33,064	911 Phone Calls	390,367
Auto Accidents Reported and Investigated	4,275	Bookings	39,887
Background Checks (Criminal Investigations Division)	287	Number of Bailiff Posts	79
Criminal Complaints Issued	4,032	Probation and Parole Hearings	76
Writs of Restitution (Evictions)	2,821	Open Records Requests	3,347
Writs of Assistance (Foreclosures)	736	Civil Process Papers Served	22,418
Temporary Restraining Orders Received	5,651		

**COUNTY CORRECTIONAL FACILITY - SOUTH**

Avg Daily Population - Milwaukee County Jail Overflow	696	Sentenced Inmates	1,004
Huber / Work Release Inmates	172	Electronic Surveillance	198
Probation and Parolees	118	Total Inmate Population	2,825
Municipal Commitments	64		

**PUBLIC WORKS AND HIGHWAYS**

County Truck Highways Maintained (Lane Miles)	343	County Truck Highways Grass Mowed (Acres)	665
State Truck Highways Maintained (Lane Miles)	635	State Truck Highways Grass Mowed (Acres)	782
Expressways Maintained (Lanes Miles)	1,150	Expressways Grass Mowed (Acres)	1,876

**HEALTH AND HUMAN SERVICES**

**EMERGENCY MEDICAL SYSTEM**

Dispatches	49,491	Medical Transports	21,073
Doctor Calls	1,398	Reports	31,814

**AGING PROGRAMS AND SERVICES**

Senior Meals Program:			
Congregate	325,354	Employment Training and Placement Svcs (Hours)	85
Home Delivered	248,838	Information and Assistance Contact Calls 24 Hours	520
Volunteer Hours	74,409	Information Inquiries	26,605
Specialized Transportation Services One-Way Rides	123,222	Meals and Transportation Assistance	20,081
Participants - Senior Centers / Senior Home Delivery	6,610	Web Site Visits	9,594
Participants - Wellness Works Program	2,124	Long Term Care Referrals and Applications Processed	5,872
Benefit Specialist / Legal Services (In Hours)	13,058	Functional Screens Performed	3,178

**County of Milwaukee, Wisconsin  
Operating Indicators by Function  
For the Year Ended December 31, 2010**

**HEALTH AND HUMAN SERVICES - (Cont'd)**

**CARE AND MANAGEMENT ORGANIZATION (CMO)**

Family Care New Enrollees	1,895	Family Care Dis-enrolled Clients	1,368
Family Care Continual Enrollees	5,864		

**ECONOMIC SUPPORT DIVISION**

Interim Disability Assistance Program	1,187	Crisis Assistance - Total households applied	22,137
Home Energy Assistance - Total households applied	63,843		

**DELINQUENCY AND COURT SERVICES DIVISION**

<b>Detention Center:</b>			
Staffed Capacity of Juvenile Detention	109	Juveniles Served In Community Programs:	
Average Daily Population	87	Temporary Shelter Care	793
Detention Admissions (Annual)	2,753	Level II Monitoring	775
Health Assessments / MH Screens in Detention	4,024	First Time Juvenile Offenders Program	276
<b>Court Intake and Probation Supervision:</b>			
Annual Delinquency / JIPS Referrals	2,470	Probation Network Services	526
Average Monthly Intake / Probation / Diversion Cases	1,823	Sex Offender Program	47
POSIT / Drug / Alcohol Screens	2,680	Day Treatment Program	169
AODA Assessments	304	Foster Care	3
Victim Notifications	2,245	Group Home Care	96
Diversion Restitution Payments Processed	36	RADS	15
Administrative Review Panels	189	Wraparound	719
Warrants Issued	681	Serious Chronic Offender Program	106
Probation Orientation	548	Firearm Project Program	108
Avg Monthly Youth under Delinquency and Courts Svcs	1,823	Sibling / Graduate Engagement	109
Juveniles Served by Dept of Corrections:		Focus Program	76
Juvenile Commitments (Annual)	153	ACE - Alternatives to Corrections Through Education	1
Average Daily Youth under Dept of Corrections	186	Reentry Coordination and Services	27

**DISABILITIES SERVICES DIVISION**

Adults Served by Service Bureau		Resource Center Services	22,060
Children Served by Service Bureau	5,223	Family Care Enrollments Completed	2,522
Physical Disabilities - Adult Support Services	497		

**HOUSING DIVISION**

Special Needs - Safe Haven (Persons / Year)	55	HOME / Home Repair - Number of New Loans	122
Special Needs - Shelter Plus Care (Persons / Year)	498		

**BEHAVIORAL HEALTH**

**INPATIENT SERVICES BRANCH**

<b>Acute Adult Inpatient:</b>		<b>CAIS Inpatients:</b>	
Average Daily Census	84	Average Daily Census	10
Patients Served	1,696	Patients Served	1,241
Admissions	2,254	Admissions	1,601
Patient Days	30,805	Patient Days	3,781
Average Daily Length of Stay	15	Average Daily Length of Stay	2

**NURSING HOME SERVICES - REHABILITATION CENTERS**

Average Daily Census	132	Admissions	16
Patients Served	150	Patient Days	48,098

**COMMUNITY SERVICES**

<b>Community Support Program:</b>		<b>Adult Day Treatment:</b>	
Patients Served	361	Average Daily Census	13
Admissions	29	Patients Served	67
Contacts (Visits)	46,657	Admissions	46
<b>Targeted Case Management:</b>		Appointments (hrs)	12,031
Patients Served	276	Visits	3,479
Admissions	42		
Contacts (Visits)	8,965		

**CRISIS SERVICES**

Psychiatric Crisis Services - Admissions	13,438	Crisis Response and Respite:	
Patients Served	1,680	Patients Served	1,287
Admissions	1,479	Admissions	1,472
Appointments	5,233	Appointments	1,473

**County of Milwaukee, Wisconsin  
Operating Indicators by Function  
For the Year Ended December 31, 2010**

<b><u>ALCOHOL AND OTHER DRUG ABUSE SERVICES</u></b>			
Methadone Detox	74	Day Treatment	683
Inpatient Care (Detox)	3,360	Day Treatment - Residential	708
Intake Assessments	5,153	Community Living Support Services	6,341
Outpatient	3,171	Recovery House Plus op / DT	334

<b><u>PARKS, RECREATION, AND CULTURE</u></b>			
<b><u>ZOO</u></b>			
Zoo Attendance - Adults	379,418	Zoo Attendance - Free to County Residents	701,168
Zoo Attendance - Junior	185,729		
<b><u>PARKS</u></b>			
Facilities Rentals:		Pools Rentals	49
Picnic with Shelters	821	Marina Slip Rentals	659
Picnic without Shelters	2,139	Special Event Permits	272
Buildings	2,085	Rounds of Golf	315,455
Lodges	45	Pool Attendance	348,547

<b><u>BUSINESS - TYPE ACTIVITIES</u></b>			
<b><u>TRANSIT/PARA TRANSIT</u></b>			
Buses Assigned	422	Bus Hours Driven	1,318,050
Buses Operated	345	Revenue Passengers	37,534,911
Bus Miles Traveled	17,480,728	Transit Plus Ridership	1,106,708
<b><u>AIRPORT</u></b>			
Passengers Served	9,848,377	Daily Departures / Arrivals	525
Carriers - Commercial	10	Aircraft Operations	191,553
Runways	5	Revenue Landing Weight (in 1,000 lbs)	6,550,879
Acreage	2,386	Air Freight (in 1,000 lbs)	171,123

**County of Milwaukee, Wisconsin  
Capital Asset Statistics by Function  
For the Year Ended December 31, 2010**

**LEGISLATIVE, EXECUTIVE AND STAFF**

Vehicles - Cars, Vans, SUVs, Pickup Trucks	2
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**PUBLIC SAFETY**

**GENERAL**

Buildings	4
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**MEDICAL EXAMINER**

Vehicles - Cars, Vans, SUVs, Pickup Trucks	2
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**DISTRICT ATTORNEY**

Vehicles - Cars, Vans, SUVs, Pickup Trucks	9
--	---

**SHERIFF**

Ambulance	1
Bomb Trucks	1
Generator	1
K-9 Vehicles	3
Squad Cars	82
Vehicles - Cars, Vans, SUVs, Pickup Trucks	47

**COUNTY CORRECTIONAL FACILITY - SOUTH**

Barn and Four Silos	1
Buildings	12
Chicken Coops	1
Creamery	1
Dump Trucks and Other Large Trucks	4
Fuel Storage Tanks	2
Garages	2
Greenhouses	1
Kennels	1
Loaders	1
Pump Houses	2
Toll Booths and Sheriff Check-In	2
Tractors	3
Vehicles - Cars, Vans, SUVs, Pickup Trucks	7
Warehouses, Storage Buildings and Sheds	12
Water Towers	1

**PUBLIC WORKS AND HIGHWAYS**

Air Compressors	1
Asphalting Equipment	11
Back Hoe and Attachments	3
Buildings	9
Cranes and Attachments	10
Dump Trucks and Other Large Trucks	133
Electrical Substation	2
Fork Lifts and Attachments	9
Garages	7
Generators and Hydraulic Power Units	5
Liquid Calcium Applicators	63
Loaders and Attachments	19

Mowers and Attachments	38
Other Miscellaneous Road Working Equipment	14
Pump House	1
Snow Plows and Attachments	216
Spreaders, Graders and Attachments	93
Sweepers, Cleaners and Attachments	15
Tractors	18
Trailers	8
Vehicles - Cars, Vans, SUVs, Pickup Trucks	180
Water Pumps and Tanks	8
Water Towers and Reservoirs	5
Warehouses, Storage Buildings and Sheds	14

**HEALTH AND HUMAN SERVICES**

Ambulances	2
Buildings	8
Recreational Centers	2
Senior Centers	6

Sheds	3
Vehicles - Cars, Vans, SUVs, Pickup Trucks	5
Wading Pools	1
Wheelchair Accessible Vans	1



**County of Milwaukee, Wisconsin  
Capital Asset Statistics by Function  
For the Year Ended December 31, 2010**

**PARKS, RECREATION AND CULTURE**

**PARKS**

Backhoe, Crane, Fork Lift and Attachments	18	Mowers and Attachments	72
Band Shells and Amphitheater	3	Nature Preserves and Gardens	4
Barns and Silos	5	Parking Structures & Garages	8
Bathhouses	15	Parks	138
Bathhouse / Pavilions	27	Parkways	11
Boat Launches	1	Pavilions	30
Boathouses	3	Pools	15
Booths	14	Pump Houses	11
Buildings	131	Recreation Buildings	4
Comfort Stations	27	Scooters	17
Community Centers	3	Shelters	32
Concession Stands	4	Ski Chalets	1
Dam and Dam Dugout	2	Snow Plows, Equipment and Attachments	118
Dump Trucks and Other Large Vehicles	15	Spreaders and Attachments	59
Gazebos	3	Storage Containers	5
Golf Clubhouses	13	Storage Sheds	107
Golf Courses	15	Tractors	22
Golf Dome	1	Trailers	9
Harvesters	8	Tree and Brush Equipment	9
Hoppers	5	Vehicles - Cars, Vans, SUVs, Pickup Trucks	149
Houses and Lodges	11	Wading Pools	36
Indoor Baseball Facilities	1	Walkway Bridge	1
Lighthouse	1	Water Playgrounds & Splash Pads	5
Loaders and Attachments	20	Weed Sprayers and Attachments	27
Miscellaneous Equipment	28		

**ZOO**

Animal Dens	4	Garages	1
Animal Exhibits	6	Gazebos	3
Animal Islands	1	Loaders and Attachments	3
Animal Overlooks	2	Observation Decks	2
Animal Petting Rings	1	Parking Lot	1
Aviaries and Pheasantries	5	Photovoltaic Solar Systems	2
Barns	12	Pools	1
Standalone Bleachers	2	Pump Houses	2
Boat Landings	1	Roadway Sweeper	1
Booths	16	Sheds	7
Buildings	36	Shelters	4
Carousels	1	Snow Plows	8
Catch Basin Cleaner	1	Spreaders and Attachments	3
Chick Hatchery	1	Stages	2
Clubhouses	1	Storage Containers	7
Comfort / Concession Stations	8	Theaters with Bleachers	2
Dump Trucks	2	Train Depot and Crossing Shacks	4
Electrical Substation	1	Vehicles - Cars, Vans, SUVs, Pickup Trucks	13
Entrance Kiosks	3	Wishing Well	1
Farm Entry Structures	1		

**County of Milwaukee, Wisconsin  
Capital Asset Statistics by Function  
For the Year Ended December 31, 2010**

<u>BUSINESS - TYPE ACTIVITIES</u>			
<u>TRANSIT / PARA TRANSIT</u>			
Buildings	16	Sheds	1
Bus Waiting Stations	3	Shelters	2
<u>AIRPORT</u>			
Air Traffic Control Towers	1	Mowers and Attachments	17
Buildings	46	Other - Miscellaneous	2
Bus / Lot Shelters	8	Parking Structures	1
Cargo Carriers	3	Pump Houses	2
Combo Units	12	Remote Transmitter	1
Crash and Rescue Facility	1	Runway Brooms, Sweepers and Attachments	18
Dump Trucks and Other Large Vehicles	24	Spreaders, Deicers, Salters and Attachments	21
Entrance / Exit Helix	2	Snow Plows and Attachments	54
Fire Trucks	6	Taxi Stop Boxes	1
Surface Friction Tester	1	Teller Boxes	3
Ground Run-up Enclosures	2	Terminals and Concourses	5
Guard Shack and Check Station	2	Toll Booths	12
Hangars	25	Tractors	10
Hydrant Fuel System	1	Trailers	1
Kennels	2	Vehicles - Cars, Vans, SUVs, Pickup Trucks	40
Liquid Calcium Applicators	4	Warehouses, Storage Buildings and Sheds	19
Loaders and Attachments	20		