**OFFICIAL STATEMENT DATED SEPTEMBER 12, 2019**

| | | | |
|---|---|---|---|
| **NEW ISSUES:** | **Moody's "Aa2"** | **S&P "AA"** | **Fitch "AA"** |
| **FULL BOOK-ENTRY** | | | **See "RATINGS" herein** |

*In the opinion of Quarles & Brady LLP, and Crump Law Firm, LLC, Co-Bond Counsel, under existing law interest on the 2019A Bonds and 2019C Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX STATUS – 2019A Bonds and 2019C Notes" herein for a more complete discussion. In the opinion of Co-Bond Counsel, under existing law interest on the 2019B Bonds is included in gross income for federal income tax purposes. See "TAX STATUS – 2019B Bonds" herein. The interest on the Obligations (as hereinafter defined) is not exempt from present Wisconsin income or franchise taxes.*

# OFFICIAL STATEMENT

## Milwaukee County, Wisconsin

**Dated:** Date of Delivery **Delivery**: Expected on October 2, 2019

**$21,115,000**
**General Obligation Refunding Bonds, Series 2019A**

The $21,115,000 General Obligation Refunding Bonds, Series 2019A (the "2019A Bonds"), are being issued by Milwaukee County, Wisconsin (the "County") pursuant to Chapter 67 of the *Wisconsin Statutes* for the public purpose of refinancing certain obligations of the County as further described herein. Interest on the 2019A Bonds is payable semiannually on each April 1 and October 1, commencing on April 1, 2020.

**$520,000**
**Taxable General Obligation Refunding Bonds, Series 2019B**

The $520,000 Taxable General Obligation Refunding Bonds, Series 2019B (the "2019B Bonds"), are being issued by the County pursuant to Chapter 67 of the *Wisconsin Statutes* for the public purpose of refinancing certain obligations of the County as further described herein. Interest on the 2019B Bonds is payable semiannually on each April 1 and October 1, commencing on April 1, 2020.

**$8,535,000**
**General Obligation Promissory Notes, Series 2019C**

The $8,535,000 General Obligation Promissory Notes, Series 2019C (the "2019C Notes"), are being issued by the County pursuant to Chapter 67 of the *Wisconsin Statutes* for the public purpose of financing certain capital projects of the County as further described herein. Interest on the 2019C Notes is payable semiannually on each February 1 and August 1, commencing on February 1, 2020.

The 2019A Bonds, 2019B Bonds and the 2019C Notes will collectively be referred to as the "Obligations". The Obligations are not subject to call and prior redemption. The Obligations will be general obligations of the County for which its full faith and credit and unlimited taxing powers are pledged.

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

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

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

**Co-Financial Advisors:** PFM Financial Advisors LLC and Independent Public Advisors, LLC

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

## Maturity and Pricing Schedule, and CUSIP† Numbers

## Milwaukee County, Wisconsin

### $21,115,000
### General Obligation Refunding Bonds, Series 2019A

| Maturity (October 1) | Principal Amount | Rate | Yield | CUSIP |
|---|---|---|---|---|
| 2020 | $ 1,045,000 | 5.000% | 1.210% | 602245 W24 |
| 2021 | 1,685,000 | 5.000% | 1.220% | 602245 W32 |
| 2022 | 3,185,000 | 5.000% | 1.240% | 602245 W40 |
| 2023 | 3,365,000 | 5.000% | 1.260% | 602245 W57 |
| 2024 | 3,665,000 | 5.000% | 1.280% | 602245 W65 |
| 2025 | 3,935,000 | 5.000% | 1.330% | 602245 W73 |
| 2026 | 4,235,000 | 5.000% | 1.390% | 602245 W81 |

### $520,000
### Taxable General Obligation Refunding Bonds, Series 2019B

| Maturity (October 1) | Principal Amount | Rate | Yield | CUSIP |
|---|---|---|---|---|
| 2020 | $ 520,000 | 2.125% | 2.125% | 602245 W99 |

### $8,535,000
### General Obligation Promissory Notes, Series 2019C

| Maturity (August 1) | Principal Amount | Rate | Yield | CUSIP |
|---|---|---|---|---|
| 2020 | $ 825,000 | 1.000% | 1.400% | 602245 X23 |
| 2021 | 830,000 | 0.050% | 1.500% | 602245 X31 |
| 2022 | 860,000 | 0.050% | 1.550% | 602245 X49 |
| 2023 | 860,000 | 2.000% | 1.450% | 602245 X56 |
| 2024 | 860,000 | 2.000% | 1.500% | 602245 X64 |
| 2025 | 860,000 | 2.000% | 1.550% | 602245 X72 |
| 2026 | 860,000 | 0.050% | 2.000% | 602245 X80 |
| 2027 | 860,000 | 3.000% | 1.650% | 602245 X98 |
| 2028 | 860,000 | 4.000% | 1.600% | 602245 Y22 |
| 2029 | 860,000 | 3.000% | 1.850% | 602245 Y30 |

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† CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright ©2018 CUSIP Global Services. All rights reserved. The above-referenced CUSIP numbers have been assigned by an independent company not affiliated with the County and is included solely for the convenience of the holders of the Obligations. The County is not responsible for the selection or uses of such CUSIP numbers, and no representation is made as to their correctness on the Obligations, or as indicated above. The CUSIP numbers are subject to change after the issuance of the Obligations.

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## INTRODUCTION TO OFFICIAL STATEMENT

*The following information is furnished solely to provide limited introductory information regarding the County's $21,115,000 General Obligation Refunding Bonds, Series 2019A (the "2019A Bonds") and $520,000 Taxable General Obligation Refunding Bonds, Series 2019B (the "2019B Bonds") and $8,535,000 General Obligation Promissory Notes, Series 2019C (the "2019C Notes") (collectively, the 2019A Bonds, the 2019B Bonds and the 2019C Notes are referred to herein as the "Obligations"), and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement, including the appendices hereto.*

| | |
|---|---|
| **Issuer:** | Milwaukee County, Wisconsin (the "County"). |
| **Dated:** | Date of Delivery. |
| **Delivery:** | The County will deliver the Obligations anywhere in the United States as designated by the purchaser within 45 days against payment in immediately available funds. Delivery is expected on or about October 2, 2019. |
| **Security:** | The Obligations are general obligations of the County for which the County pledges its full faith and credit and power to levy direct general ad valorem taxes, which taxes may, under current law, be levied without limit as to rate or amount. A direct irrepealable tax has been levied upon all taxable property in the County. (See "DESCRIPTION OF THE OBLIGATIONS – Security Provisions" herein.) |
| **Purpose and Authority:** | **2019A Bonds and 2019B Bonds:** Proceeds of the 2019A Bonds and 2019B Bonds will be used for the public purpose of refinancing certain obligations of the County as further described herein and to pay the cost of issuing the 2019A Bonds and 2019B Bonds.<br><br>The 2019A Bonds and 2019B Bonds are being issued by the County, pursuant to provisions of Chapter 67 of the *Wisconsin Statutes* and resolutions adopted by the County Board.<br><br>**2019C Notes:** Proceeds of the 2019C Notes will be used for the public purpose of financing certain capital projects of the County as further described herein and to pay the cost of issuing the 2019C Notes.<br><br>The 2019C Notes are being issued by the County, pursuant to provisions of Chapter 67 of the Wisconsin Statutes and resolutions adopted by the County Board. |
| **Redemption Provisions:** | The Obligations are not subject to prior redemption. |
| **Principal Payments:** | **2019A Bonds:** Annually, October 1, 2020 through 2026<br>**2019B Bonds:** October 1, 2020.<br>**2019C Notes:** Annually, August 1, 2020 through 2029. |
| **Interest Payments:** | **2019A Bonds:** On each April 1 and October 1, commencing on April 1, 2020.<br>**2019B Bonds:** On each April 1 and October 1, commencing on April 1, 2020.<br>**2019C Notes:** On each February 1 and August 1, commencing on February 1, 2020. |

**Tax Status:**

**2019A Bonds and 2019C Notes:** In the opinion of Co-Bond Counsel as more fully described herein, interest on the 2019A Bonds and 2019C Notes is excludable from gross income for federal income tax purposes, and is not an item of tax preference in computing the federal alternative minimum tax for individuals. See "TAX STATUS – 2019A Bonds and 2019C Notes" herein.

**2019B Bonds:** Interest on the 2019B Bonds is included in gross income for present Federal income tax purposes.

Interest on the Obligations is not exempt from present Wisconsin income or franchise taxes.

**Professional Consultants:**

Co-*Financial Advisors:* PFM Financial Advisors LLC
Milwaukee, Wisconsin
and
Independent Public Advisors, LLC
Johnston, Iowa

*Co-Bond Counsel*: Quarles & Brady LLP
Milwaukee, Wisconsin
and
Crump Law Firm, LLC
Milwaukee, Wisconsin

*Disclosure Counsel:* Quarles & Brady LLP
Milwaukee, Wisconsin

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

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

**Legal Matters:** Legal matters incident to the authorization and issuance of the Obligations are subject to the opinions of Quarles & Brady LLP, Milwaukee, Wisconsin and Crump Law Firm, LLC, Milwaukee, Wisconsin, Co-Bond Counsel, as to validity and, in the case of the 2019A Bonds and 2019C Notes, federal tax exemption. The opinions will be substantially in the form set forth in Appendix B attached hereto. Crump Law Firm, LLC has not participated in the preparation of Official Statement, except for information under the headings "DESCRIPTION OF THE OBLIGATIONS" and "TAX STATUS". Quarles & Brady LLP has been retained by the County to serve as disclosure counsel to the County with respect to the Obligations.

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

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

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

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

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

# DESCRIPTION OF THE OBLIGATIONS

***2019A Bonds and 2019B Bonds Authorization and Purpose***

The 2019A Bonds and 2019B Bonds are authorized pursuant to a resolution adopted by the Milwaukee County Board of Supervisors (the "County Board"). On March 21, 2019, the County Board adopted a resolution authorizing the issuance and establishing the parameters for the sale of not to exceed $29,500,000 General Obligation Refunding Bonds or Promissory Notes (the "BAB Refunding Parameters Resolution") for the refunding of certain Build America Bonds issued by the County (the "BABs") and delegating to the Comptroller authorization to approve the sale of such bonds, subject to the parameters established by the BAB Refunding Parameters Resolution.

On the sale date, the Comptroller executed an approving certificate confirming that the conditions set forth in the BAB Refunding Parameters Resolution are satisfied and approving the sale of the 2019A Bonds and 2019B Bonds.

The 2019A Bonds and 2019B Bonds are being issued to refund certain of the BABs (the "2019A and 2019B Refunded Obligations") as described in the table below and to pay the costs of issuing the 2019A Bonds and 2019B Bonds.

**2019A and 2019B Refunded Obligations**

| Dated | Issue | Maturities Outstanding | Maturities Refunded | 2019A Amount Refunded | 2019B Amount Refunded | Remaining Balance Outstanding | Call Date |
|---|---|---|---|---|---|---|---|
| 12/21/2010 | Taxable GO Bonds, Series 2010C (BABs) | 2019-2026 | 2020-2026 | $ 24,265,000 | $ 1,790,000 | --* | 10/14/2019 |

***2019A Bonds and 2019B Bonds Sources and Uses***

| Sources: | 2019A Bonds | 2019B Bonds | Total |
|---|---|---|---|
| Par Amount | $ 21,115,000 | $ 520,000 | $ 21,635,000 |
| Premium | 3,508,454 | -- | 3,508,454 |
| Funds on Hand Contribution | -- | 1,284,757 | 1,284,757 |
| Total Sources of Funds | $ 24,623,454 | $ 1,804,757 | $ 26,428,211 |
| | | | |
| Uses: | | | |
| Refunding | $ 24,308,871 | $ 1,793,233 | $ 26,102,104 |
| Costs of Issuance/ Underwriter's Discount | 311,483 | 7,937 | 319,420 |
| Additional Proceeds | 3,100 | 3,587 | 6,687 |
| Total Uses of Funds | $ 24,623,454 | $ 1,804,757 | $ 26,428,211 |

***2019C Notes Authorization and Purpose***

The 2019C Notes are authorized pursuant to a resolution adopted by the County Board on February 7, 2019. On March 21, 2019, the County Board adopted resolutions authorizing the issuance and establishing the parameters for the sale of not to exceed $74,230,000 General Obligation Bonds or Promissory Notes (collectively, the "New Money Parameters Resolution") to finance capital projects and delegating to the Comptroller authorization to approve the sale of such 2019C Notes, subject to the parameters established by the New Money Parameters Resolution.

On the sale date, the Comptroller executed an approving certificate confirming that the conditions set forth in the New Money Parameters Resolution are satisfied and approving the sale of the 2019C Notes.

The 2019C Notes are being issued for the public purpose of financing certain capital projects of the County consisting of highway improvements, building renovations and other improvements to facilities and to pay the cost of issuing the 2019C Notes.

***2019C Notes Sources and Uses***

| Sources: | 2019C Notes |
|---|---|
| Par Amount | $ 8,535,000 |
| Net Premium | 235,205 |
| Total Sources of Funds | $ 8,770,205 |
| | |
| Uses: | |
| Project Fund Deposit | $ 8,359,951 |
| Costs of Issuance/ Underwriter's Discount | 154,262 |
| Debt Service Fund | 255,992 |
| Total Uses of Funds | $ 8,770,205 |

***Security Provisions***

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

***Optional Redemption***

The Obligations are not subject to prior redemption.

***Registration, Transfer and Exchange***

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

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

**BOOK-ENTRY-ONLY SYSTEM**

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

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and amendments to the Bond

documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent/Registrar and request that copies of notices be provided directly to them.

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

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

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

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

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

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

## RATINGS

Moody's Investors Service Inc., S&P Global Ratings, and Fitch Ratings, respectively, have assigned the ratings of "Aa2", "AA" and "AA" to the Obligations. A rating reflects only the view of the rating agency, from whom an explanation of the significance of such rating may be obtained. The County is not obligated to maintain the current ratings on the Obligations, and there is no assurance that ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating could have an adverse effect on the market price of the Obligations. The County and the Co-Financial Advisors undertake no responsibility to oppose any revision or withdrawal of such ratings.

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

## UNDERWRITING

Fifth Third Securities, Inc. has agreed, subject to the conditions of closing set forth in the Official Terms of Offering for the 2019A Bonds, to purchase the 2019A Bonds at a purchase price of $24,536,090.89 (consisting of the par amount of the 2019A Bonds, plus an original issue premium of $3,508,454.20, less an underwriter's discount of $87,363.31), plus accrued interest, if any.

Hutchinson, Shockey, Erley & Co. has agreed, subject to the conditions of closing set forth in the Official Terms of Offering for the 2019B Bonds, to purchase the 2019B Bonds at a purchase price of $517,504 (consisting of the par amount of the 2019B Bonds less an underwriter's discount of $2,496), plus accrued interest, if any.

Hutchinson, Shockey, Erley & Co. has agreed, subject to the conditions of closing set forth in the Official Terms of Offering for the 2019C Notes, to purchase the 2019C Notes at a purchase price of $8,705,267.70 (consisting of the par amount of the 2019C Notes, plus a net original issue premium of $235,205.20, less an underwriter's discount of $64,937.50), plus accrued interest, if any.

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

## CO-FINANCIAL ADVISORS

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

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

## LITIGATION

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

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

## CERTAIN LEGAL MATTERS

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

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

## TAX STATUS

***2019A Bonds and 2019C Notes***

Quarles & Brady LLP, Milwaukee, Wisconsin, and Crump Law Firm, LLC, Milwaukee, Wisconsin, Co-Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the 2019A Bonds and 2019C Notes under existing law substantially in the following form:

> "The interest on the 2019A Bonds and 2019C Notes is excludable for federal income tax purposes from the gross income of the owners of the 2019A Bonds and 2019C Notes. The interest on the 2019A Bonds and 2019C Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the 2019A Bonds and 2019C Notes in order for interest on the 2019A Bonds and 2019C Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the 2019A Bonds and 2019C Notes to be included in gross income retroactively to the date of issuance of the 2019A Bonds and 2019C Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the 2019A Bonds and 2019C Notes."

The interest on the 2019A Bonds and 2019C Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the 2019A Bonds and 2019C Notes should be aware that ownership of the 2019A Bonds and 2019C Notes may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the 2019A Bonds and 2019C Notes should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the 2019A Bonds and 2019C Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the 2019A Bonds and 2019C Notes may be enacted. Prospective purchasers of the 2019A Bonds and 2019C Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

*Original Issue Discount*

To the extent that the initial public offering price of certain of the 2019C Notes is less than the principal amount payable at maturity, such 2019C Notes ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

*Bond Premium*

To the extent that the initial offering price of certain of the 2019A Bonds and 2019C Notes is more than the principal amount payable at maturity, such 2019A Bonds and 2019C Notes ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

***2019B Bonds***

Interest on the 2019B Bonds is included in gross income of the owners thereof for Federal income tax purposes. The interest on the 2019B Bonds is not exempt from present Wisconsin income or franchise taxes.

## CONTINUING DISCLOSURE

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

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

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

Except to the extent the preceding is deemed to be material, in the previous five years the County has not failed to comply in all material respects with any previous continuing disclosure undertakings under the rule.

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

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

## MUNICIPAL BANKRUPTCY

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

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

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Obligations are outstanding, in a way that would allow the County to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the County to file for relief under Chapter 9. If, in the future, the County were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the County could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the County is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the County could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Obligations could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Obligations, and there could ultimately be no assurance that holders of the Obligations would be paid in full or in part on the Obligations. Further, under such circumstances, there could be no assurance that the Obligations would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Obligations could be viewed as having no priority (a) over claims of other creditors of the County; (b) to any particular assets of the County, or (c) to revenues otherwise designated for payment to holders of the Obligations.

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

## CERTIFICATION

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

# COUNTY GOVERNMENT

***General***

The County is located in southeastern Wisconsin on the Lake Michigan shoreline. The County covers an area of approximately 242 square miles and consists of ten cities and nine villages. The City of Milwaukee, which is the County seat, contains approximately 63 percent of the County's population and 44 percent of its taxable property value. The County serves as the population, economic and financial center of the state.

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

***Government and Administration***

The County is governed by a County Executive and an 18-member County Board of Supervisors. The County Executive is elected on a nonpartisan basis to a four-year term. County Board supervisors are elected on a nonpartisan basis to two-year terms. Each supervisor is elected from a district with an average population of approximately 53,000. In addition, six constitutional and two statutory officers are elected on a partisan basis to serve four-year terms as shown below.

**County Officials**

*(Year first sworn into office follows name)*

| | |
|---|---|
| County Executive: | Chris Abele (2011) |
| County Clerk: | George L. Christenson (2017) |
| Register of Deeds: | Israel Ramón (2019) |
| Treasurer: | David Cullen (2014) |
| Clerk of Circuit Court: | John Barrett (1999) |
| Sheriff: | Earnell Lucas (2019) |
| District Attorney: | John T. Chisholm (2007) |
| County Comptroller: | Scott B. Manske (2012) |

**Board of Supervisors**

Theodore Lipscomb, Sr. - Chairman (2008)
Marcelia Nicholson - 1st Vice Chairperson (2016)
Sequanna Taylor- 2nd Vice Chairperson (2016)

Deanna Alexander (2012)
Eddie Cullen (2015)
Marina Dimitrijevic (2004)
Jason Haas (2011)
Willie Johnson, Jr. (2000)
Patti Logsdon (2018)
Felesia A. Martin (2018)
Supreme Moore Omokunde (2015)
Sylvia Ortiz-Valez (2018)
Steven Shea (2018)
James J. Schmitt (1998)
Dan Sebring (2016)
Anthony Staskunas (2013)
Sheldon Wasserman (2016)
John F. Weishan, Jr. (2000)

***County Executive's Office***

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

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

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

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

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

***Legislative***

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

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

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

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

### *Financial Management*

**Budgeting.** The County has an executive budget process for the preparation of the annual operating and capital budgets. The Office of Performance, Strategy and Budget is located within the Department of Administrative Services provides the technical assistance required by the County Executive to review budget requests submitted by County departments and agencies. The Office of Performance, Strategy and Budget compiles these requests, along with principal and interest requirements, capital improvements, contingency requirements and the required tax levy. It reviews areas where changes may be considered and transmits its findings to the County Executive. The County Executive holds public hearings with respect to the requests, meets with departments and submits a recommended budget to the County Board on or before October 1st of each year. Subsequent to the receipt of the budget from the County Executive, the County Board's Committee on Finance and Audit reviews the County Executive's budget at public meetings. On the Monday following its regularly scheduled meeting on the first Thursday in November, the County Board acts on the amendments and recommendations submitted by the Committee on Finance and Audit, as well as amendments submitted by individual supervisors. The County Board adopts a final budget, subject to any vetoes by the County Executive, and levies taxes based upon equalized property values.

**Accounting Policies and Budgetary Control.** Section 59.60(3m) of the *Wisconsin Statutes* specifies that all County accounting and budgeting procedures shall comply with generally accepted accounting principles. A summary of the County's budgets for 2018 and 2019 is presented on page 73 of this Official Statement.

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

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended December 31, 2017. The Certificate of Achievement recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, with contents conforming to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for 39 consecutive years (December 31, 1979 through December 31, 2017).

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

A summary of the operating results for the general fund and all proprietary funds for the years 2014-2018 is presented on pages 71 and 72 of this Official Statement. The County's 2018 financial statements are included as Appendix A. The County realized a surplus of $23.3 million for the fiscal year ended on December 31, 2018. Of that amount, $18.3 million was transferred to the Debt Service Reserve (See "Debt Administration" herein). The County applied $5.0 million of the surplus from 2018 to the subsequent budget year (2020), in accordance with State Statutes.

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

Results of this year's forecast indicate an ongoing structural deficit with similar elements to five-year forecasts issued in prior years. The main findings of the report include:

- ***The projected structural deficit for the 2020 operating budget is approximately $16.0 million. When including the one-time implementation costs for correctional healthcare insourcing, the projected deficit grows to $20.5 million.*** Key assumptions contributing to the structural deficit in 2020 are funding for the ongoing cost-to-continue of current operations, an increased pension contribution due to a change in the assumed rate of return and the elimination of reserve contributions. Offsetting these increases are lower than anticipated expenditures for wages, healthcare, and forecasted increases in sales tax and property tax levy.

- ***The 2020 structural deficit of $16.0 million is reasonable based on the forecasted cost-to-continue and use of one-time revenues in 2019.*** The County's prior year five-year forecast predicted that the County would have a structural deficit of $10.5 million for the 2020 fiscal year if the 2019 structural deficit of $16.8 million was solved with long-term solutions. The forecast further projected that if no long-term solutions were implemented, the 2020 structural deficit could reach $33.9 million. Given the one-time revenues used in 2019, as well as other unanticipated changes, the 2020 structural deficit of $16.0 million is reasonable.

- ***On average, the annual structural deficit will consist of a cost-to-continue of $15.9 million due to a greater increase in expenditures than what is generated in additional revenue.*** Expenditures will grow on average 2.4 percent while revenues will grow on average 1.0 percent. ***The County can also expect an increase in the structural deficit each year in which one-time revenues or expenditure abatements were used in the prior year.*** In 2019, the County utilized such one-time revenues of approximately $3.3 million, which increased the 2020 structural deficit roughly by the same amount. A structural deficit of $16.0 million is less overwhelming than some previous years. If the County were to resolve this structural deficit with long-term solutions, it could expect a 2021 structural deficit of roughly $19.4 million, barring any unforeseen issues. Any use of one-time revenues or expenditure abatements in the 2020 budget will worsen the structural deficit in future years.

- Other issues remain unsettled such as future State biennial budgets, salary compression and limited wage growth in the County's workforce, loss of the Froedtert/Doyne lease payment, deferred maintenance, correctional healthcare, and building footprint changes including a secured residential care center for youth and new criminal courthouse. Any of these issues may compromise the County's fiscal outlook and should be monitored closely.

Major changes to healthcare and pension benefits have largely been possible due to 2011 Wisconsin Acts 10 and 32 ("Acts 10 and 32"). Prior to Acts 10 and 32, the County was required to negotiate any wage or benefit change with represented employees. Due to modifications to collective bargaining in Acts 10 and 32, the County is now only permitted to bargain over base wages (limited to the rate of inflation) with all non-public safety unions. The County is still required to bargain over most wage and benefit issues with the Milwaukee County Firefighters Association and the Milwaukee Deputy Sheriffs' Association with the exception of healthcare plan design (deductibles, copays, etc.) which is no longer subject to collective bargaining. Acts 10 and 32 also require that employees, except members of public safety unions, contribute one-half of the actuarial determined Annual Required Contribution ("ARC"). Similar employee pension contributions have been negotiated with public safety worker unions.

The County has successfully implemented a new healthcare plan design that shares more costs with its employees and retirees due to Acts 10 and 32. In addition, the County has largely been able to implement all of these changes for its public safety workers, with the exception of the contribution to health plan premiums, which is still considered a negotiable item for public safety unions. Major changes include a shift from multiple plan designs to a single PPO plan design. Employees and retirees are required to pay annual deductibles, copays and coinsurance. In addition, the County has implemented a Medicare carve-out coverage plan and an Employer Group Waiver Plan ("EGWP") for prescription drug coverage for retirees, and after a successful appeal to the Wisconsin Court of Appeals (Schwegel, et al. v. Milwaukee County, 2015 WI 12, 360 Wis. 2d 654, 859 N.W.2d 78), prospectively eliminated the Medicare Part B premium reimbursement for future retirees.

The County has also been able to reduce its pension liability, in part due to changes that resulted from Acts 10 and 32. Almost all employees are required to contribute one-half of the ARC to the Employees' Retirement System ("ERS"). The member contribution requirement is determined annually by the County's actuary and is collected through an employee payroll deduction. Although this issue remained a negotiable item for public safety unions, as of this date, those public safety unions have agreed in their contracts to contribute one-half of the ARC. Thus, all employees are now making this contribution. Other changes to the pension benefits include an increase in the normal retirement age from age 60 to age 64 for nonrepresented employees hired after January 1, 2010, a reduction in the pension multiplier from 2.0 percent to 1.6 percent for most employees and a modification to the backdrop pension benefit.

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

In 2011, the Milwaukee District Council 48 of AFSCME ("DC48") filed suit in Milwaukee County Circuit Court related to the criteria for eligibility to retire. By pre-Act 10 collective bargaining agreement, DC48 members hired prior to January 1, 1994 are eligible for normal retirement when the sum of their age and years of creditable pension service equals or exceeds 75 (the "Rule of 75"). By pre-Act 10 ordinance, employees not represented by a union hired prior to January 1, 2006 are eligible to retire under the Rule of 75. DC48 claims that when the State legislature adopted Act 10, prohibiting bargaining over pension benefits, among other things, DC48 members became unrepresented for purposes of pension benefits and the Rule of 75. Thus, DC48 alleges that all DC48 members hired prior to January 1, 2006 who are still in active county employment are eligible to retire utilizing the Rule of 75. The suit was stayed for a lengthy period of time while litigation existed over the legality of Act 10. The parties then filed motions for summary judgment. On May 27, 2016, the court granted DC48's motion for summary judgment and ruled against Milwaukee County on this issue. The court subsequently granted Milwaukee County's motion for a stay of the ruling pending appeal. On July 28, 2016, the Milwaukee County Board of Supervisors adopted the Office of Corporation Counsel's recommendation to appeal the matter to the Wisconsin Court of Appeals. On November 7, 2017, the Court of Appeals ruled against the County, affirming the Circuit Court's decision in support of DC48. Thereafter, on December 7, 2017, the County filed a petition for review to Wisconsin Supreme Court, which was granted. On March 19, 2019, the Wisconsin Supreme Court affirmed the Court of Appeals decision in favor of DC48 finding that the ordinance applies to members of DC48 whose collective bargaining agreement with the County had expired and that such members hired prior to January 1, 2006 can retire under the Rule of 75. The result of this decision is an increase in pension liabilities of approximately $6,837,863, and increased pension contribution costs to the County and to employees.

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

Additionally, the Audit Services Division has contracted with an independent certified public accounting firm to audit the County's comprehensive annual financial report, containing its basic financial statements, as well as its schedule of federal and state awards, for the year ended December 31, 2018. These audits were conducted in accordance with auditing standards generally accepted in the United States; Government Auditing Standards issued by the Comptroller

General of the United States; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and the provisions of the State of Wisconsin State Single Audit Guidelines.

The County's audited financial statements for the year ended December 31, 2018, including the report of the independent public accounting firm thereon, are presented in Appendix A.

**Debt Administration.** In 1994, the County established new policies and revised existing policies that directly and indirectly affect its borrowing practices, including guidelines for maximum debt burdens and maximum maturity and modifications to the procedures for accepting competitive bids.

The County Board has also adopted policies that aim to limit the amount of corporate purpose bonds issued by the County to finance capital projects. Under this policy, the County endeavors to limit corporate purpose bond issuance to an increase of no more than 3 percent over the preceding years adopted bond amount. Although this bonding cap policy only applies to corporate purpose bonds that finance the Capital Improvements Program, the Comptroller's Office includes the bond issues that result in a County debt obligation.

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

The County maintains a Debt Service Reserve, which is funded with cash and unused bond proceeds. Under the County's budget policies, permitted uses of the Debt Service Reserve include providing cash financing for one-time capital projects or for one-time operating items that result in improved County service and/or reduced ongoing County costs in future years, providing cash financing for refinancing of debt and responding to public emergencies, in addition to reducing taxpayer costs for debt service. The bond proceeds are used to finance other eligible capital improvement projects and to pay interest on bonds. As of July 2019, the projected 2019 year-end balance in the Debt Service Reserve is $35.2 million.

**Investment Policy.** The County may purchase investment securities as allowed by Section 66.0603(1m) of the *Wisconsin Statutes* and Milwaukee County ordinance at prevailing market rates. To the extent possible, the County attempts to match its investments with anticipated cash-flow requirements.

In July 2014, the County adopted Resolution 14-569. The adopted guidelines are intended to be broad enough to allow the Milwaukee County Treasurer to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

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

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

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

1. Time and other money market deposits of banks, trust companies, savings and loans, and credit unions.
2. U.S. Treasury obligations, government agency securities, and Government Sponsored Enterprise (GSE).
3. Municipal Securities including general obligation bonds, essential service bonds, rates AA or higher, or securities of any county, city, drainage, vocational, technical and adult education district, village, town, or school district of the State of Wisconsin.
4. State of Wisconsin Investment Board's Local Government Investment Pool.

5. Repurchase Agreements. Investment agreements pursuant to which a federal or state credit union, federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank, or national bank in the State of Wisconsin agrees to repay funds advanced to it by the issuer, plus interest.
6. Corporate securities. Issued by private corporations, these securities must be rate in the highest or second highest rating category by Standard and Poor's Corporation, Moody's Investors Service, some other Nationally Recognized Statistical Rating Organization ("NRSRO"), or senior to or on parity with a security of the same issuer which has such a rating.
7. Commercial paper, which may be tendered for purchase at the option of the holder within not more than 270 days of the date acquired as permitted by Wisconsin Statutes. These securities must be rate in the highest or second highest rating category by Standard and Poor's Corporation, Moody's Investors Service, some other NRSRO, or senior to or on parity with a security of the same issuer which has such a rating.
8. Money Market funds. Open-ended Money Market funds restricted to investments permitted in Wisconsin Statutes, limited to a maximum average maturity of 60 days or less.

***Services Provided by the County***

**Health and Human Services.** This functional area consists of the Department of Health and Human Services Behavioral Health Division, the Department on Aging and the Department of Family Care. In combination, operating revenues support 74.0 percent of expenses in these departments. In April 2014, the passage of Wisconsin Act 203 removed oversight for all mental health programs and services from the County Board and put it under the jurisdiction of the Milwaukee County Mental Health Board ("MCMHB"). A detailed narrative of Act 203 is included in the next section. On September 1, 2016, My Choice Family Care ("MCFC") completed the process of transitioning its operations from a department (Department of Family Care) of Milwaukee County Government to a new private, not-for-profit organization formally organized as My Choice Family Care Inc. As of December 31, 2017, the remaining county employees became employees of MCFC. MCFC is governed by an independent board comprised of community members, business leaders and medical professionals.

The Department of Health and Human Services (the "DHHS") provides a wide range of life-sustaining, life-saving and life-enhancing services to children and adults. Programs serve specific populations such as justice-involved youth; persons with developmental, physical disabilities or mental illness and the homeless. Many DHHS services are mandated by State Statute and/or provided through a contract between the State and the County. The DHHS consists of five service areas including the divisions of (i) Youth and Family Services, (ii) Disabilities Services, (iii) Housing, (iv) Director's Office and Management Services, and (v) Behavioral Health.

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

The Disabilities Services Division ("DSD") provides services to adults with special needs between the ages of 18 and 59 and to children with disabilities and their families. Services support people with physical and intellectual disabilities. A wide variety of services are provided or purchased, including case management for children with disabilities, work and day services, and community support. Many of these services enable people to live in the community and avoid institutional placements. The DSD also provides services through the Disability Resource Center such as information and assistance, service access and prevention, disability benefits counseling and Family Care entitlement benefits. In addition, the DSD provides a broad range of services to children with disabilities and their families. They include an early intervention program for children, ages birth to three, the Children's Community Options Program ("CCOP") and Children's Long Term Support ("CLTS") Program. Finally, DSD operates the Interim Disability Assistance Program ("IDAP") and the General Assistance Burials Program.

The Housing Division leads several housing initiatives which support clients being served by other divisions within DHHS. The division focuses on prioritizing the use of County housing resources to address the needs of persons who are low income and also have a disability. The Plan to End Chronic Homelessness was started in September of 2015 with the goal of ending chronic homelessness in three years. In the fall of 2018, this goal was reached and Milwaukee County is now awaiting the formal acknowledgement from HUD. In addition to Housing First, its core programming includes the following Housing and Urban Development ("HUD") funded programs: My Home, which links housing subsidies with case management for persons with a disabling condition who are homeless; Housing Choice Voucher, which assists clients with locating affordable housing and provides rent subsidies; HOME/Home Repair, which provides low-or no-interest loans to low-income persons for home repairs and improvements and a tenant-based rent assistance project serving individuals who are chronically homeless and have a disabling condition. The division also administers the Community Development Block Grant ("CDBG") program which funds numerous housing and public service projects throughout Milwaukee County.

The Director's Office and Management Services Division provide administrative support to the department as well as contract, fiscal and project management including oversight of the Home Energy Program and 211 Impact, which is a referral service for individuals in need of social services.

The **Department on Aging** was created in 1991 to administer aging programs and to serve as the County's designated area agency on aging. The Department on Aging plans for and services the growing needs of the County's large and diverse older adult population. Services provided by the Department on Aging are designed to provide an appropriate mix of community-based care and direct services to prevent the inappropriate and costly institutionalization of older adults. The Department on Aging contains three major program areas: Administration, Area Agency Services and the Aging Resource Center ("Resource Center"). Administration provides administrative guidance, accounting support, and contract oversight to all Aging program areas.

The Resource Center provides outreach and support to persons 60 years and older, offering information and assistance on programs available to them. The Resource Center provides optional counseling for seniors and their families, functional eligibility determination, Medicaid application assistance and enrollment into local publicly funded long-term care programs. In 2019, the Resource Center continues to support the Milwaukee County Transit's (MCTS) Growing Opportunities Pass (GO PASS) program which offers subsidized travel on MCTS buses to seniors and disabled County residents.

Court-ordered corporate guardian services are the responsibility of Milwaukee County and are provided through the Resource Center. The Resource Center has also developed the capability to provide support to individuals diagnosed with dementia as well as their caregivers.

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

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

The MCMHB jurisdiction applies to the Behavioral Health Division ("BHD") of the Department of Health and Human Services. BHD includes: Management and Support Services, Psychiatric Emergency Room Services, Inpatient Services (Adult & Children), and the Community Access to Recovery Services Division, which manages a network of community providers of mental health and Alcohol and Other Drug Treatment services. The total 2019 Budgeted tax levy for the BHD is $57.1 million with 465 full time equivalent positions.

Beginning with the 2015 Budget, the Milwaukee County Behavioral Health Division budget is proposed by the MCMHB and recommended by the County Executive. The proposed levy must be between $53 and $65 million unless The MCMHB, County Executive, and County Board of Supervisors agree to an amount outside of this range.

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

In early 2016, BHD released an RFP for inpatient care to explore the possibility of outsourcing part or all of the county-operated inpatient services. In September 2018, the Milwaukee County Mental Health Board approved an agreement to purchase inpatient psychiatric services from Universal Health Services. This sets in a motion a plan to close the Milwaukee County Mental Health Complex by 2021. Consumers needing inpatient care who require county funding will be served through Universal Health Services' new 120-bed hospital.

**Parks, Recreation and Culture.** This functional area includes the Department of Parks, Recreation and Culture, the Milwaukee County Zoo, the Milwaukee Public Museum and other cultural institutions that receive County support. As a group, operating revenues support 62.9 percent of expenses relating to Parks, Recreation and Culture.

Milwaukee County Parks consist of 15,258 acres, encompassing 156 parks and parkways, and are used for both active and passive recreation. Sport and recreational opportunities are open to County residents and visitors alike.

Active recreational opportunities are offered throughout Milwaukee County. The Oak Leaf Trail, a multi-use trail over 125 miles in length, encircles and loops through the County and connects all major parks and parkways of the Park System. Fifteen golf courses take a player from beginner- to professional-level challenges. An indoor ice arena, sports complex, indoor and outdoor aquatic facilities, and athletic fields and facilities—from baseball diamonds to volleyball courts—ensure plenty of opportunities for residents and visitors to become more active. In winter, snow-covered hills and groomed trails provide recreational outlets. The refrigerated rink in Red Arrow Park provides winter activity no matter what the weather.

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

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

Special events planners seeking beautiful venues need look no further than the Milwaukee County Parks. Large green spaces, ample parking, and the concessions planning of the department help event planners create successful events such as weddings at historic South Shore Terrace or the Third of July Fireworks at Veterans Park on the lakefront.

The Zoological Department operates the Milwaukee County Zoo (the "Zoo"), which is situated on 190 acres with approximately 587,072 square feet of facilities. Exhibits at the Zoo include the Family Farm, a working farm and dairy complex; the Peck Welcome Center; the Apes of Africa exhibit; the Primate Building; the Sea Lion and Polar Bear exhibit; the Aviary; Macaque Island; the Education Facility; the Lake Evinrude Deck; the Aquarium/Reptile Building; the Animal Health Center; the Big Cat Country building; Flamingo Exhibit and Overlook; the Humboldt Penguins exhibit; the Elephant Care Center; the Hippo building and exhibit; Small Mammals building; Giraffe building; the Special Exhibits Building; and the Otter Exhibit. Other Zoo facilities/attractions include two restaurants, two food trucks, a bear garden, coffee shop and food outlets, one gift shop and gift kiosks, a chairlift, a train ride, a carousel, zoomobile tours, zipline and rope courses, kids play areas and the Gathering Place. Zoo attendance in 2018 was 1,146,045 guests and was ranked #4 in the Business Journal's top Milwaukee-area special attractions attendance with Potawatomi, the Brewers, and the Public Market as #1, #2, and #3, respectively. Based on a 2016 study that examined the economic impact of the Milwaukee County Zoo on the economy of the four-county area that includes

Milwaukee, Ozaukee, Washington and Waukesha, the annual economic impact of the zoo is $155.48 million in output, $52.07 million in earnings and 1,906 jobs.

The *Milwaukee Public Museum* ("MPM") has been operated through a public-private partnership since 1992. The private, not-for-profit organization MPM Inc. operates the museum, and the County owns the buildings and artifacts. The board of directors of MPM Inc. includes representatives appointed by the County Board and the County Executive. MPM hosts international exhibitions annual, and had attendance of approximately 513,000 for the fiscal year ending August 2018, exhibits, theatre, planetarium, education programs and events held at MPM. MPM operates the dome theater and the Daniel M. Soref Planetarium which provides not only entertainment but also additional educational programming. In addition, MPM's Spark! Program provides those living with dementia and their care givers special opportunities to enjoy the museum. MPM continues to provide improved experiences ranging from programming, special apps, and visual and audio guides, and accessible seating to assist with the visitor experience for visitors with accessibility needs.

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

In January 2013, MPM briefed County policy makers in regard to potential cash flow issues resultant from the required pension payment due in September of 2013. The pension payment is specific to former County employees (who worked for the Museum when it was a department of the County) that accepted positions with MPM when the County entered into a lease and management agreement for Museum operations in March of 1992. Additionally, policy makers were briefed on discussions occurring between MPM and County staff to address short-term cash flow issues and the long-term sustainability of MPM. On August 15, 2013, the County entered into a long-term agreement with MPM (the "2013 Agreement"). The initial term of the agreement is through December 31, 2022 and can be automatically extended for four (4) successive periods of five (5) years each through December 31, 2042. The County agreed to contribute (contingent upon MPM securing an equal amount of donor commitments) $3,000,000 to MPM for the defined benefit plans of former County employees. Additionally, the County extended its commitment to operational funding through the calendar year 2022. The extended commitment started at the current level of $3,500,000 in 2014 and incrementally decreases to $3,000,000 in 2022. The County contribution is contingent upon MPM meeting or exceeding certain operational and financial goals. These goals include donor commitments, annual attendance, and fiscal performance goals.

In April 2019, the County and the MPM agreed to amend Section 5.3 Base Level Funding of Operations of the 2013 agreement.. The amendment changed the 2013 Agreement as follows:

1. The date at which the MPM is to receive at least $5,000,000 in cash and donor commitments was changed from December 31, 2017 to December 31, 2020 and also include monies received or pledged for a possible new building as well as the current building before any future funding amounts would be decreased. Of the total $5,000,000 in commitments, MPM is limited to only including $1,000,000 of these total funds to be from donor commitments and cash specifically raised towards exhibits.

2. The total amount of the Endowment unrestricted net assets required to be maintained be decreased to $1,550,000.

The *Marcus Center for the Performing Arts* ("MCPA") is a cultural center that hosts the Milwaukee Symphony Orchestra, Milwaukee Ballet Company, Florentine Opera, Milwaukee Youth Symphony, First Stage Milwaukee, and other special arts groups and entertainment events.

On April 8, 2016, the County entered into a ten year contribution agreement with the MCPA. The contribution agreement calls for the County to make capital improvements and annual operating contributions on a quarterly basis until 2025. The County's annual operating contribution to the Marcus Center for 2019 is $800,000. Under said

agreement the County also agreed to be responsible for several repairs through 2026. The budgeted amount for the repairs totals approximately $9.8 million.

In August 2018, the County approved a lease agreement ("Lease") between the County and the MCPA. The Lease includes an initial term that ends in 2066 and an extended term that ends in 2115. The Lease provides more certainty and autonomy to the MCPA in exchange for declining operating and limited capital contributions as adopted in the 2016 Contribution Agreement and as further limited in the future by the terms of the Lease.

**Transportation.** The Department of Transportation administers two County airports; the transit/paratransit system; transportation planning and engineering services; highway maintenance; and fleet management. Operating revenues account for 96.7 percent of the department's expenses.

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

MKE is a modern air transportation center of 2,386 acres located six miles south of the City of Milwaukee's central business district. Nine airlines provide approximately 125 daily departures from MKE. More than 40 cities are served non-stop, and one-stop connections are available to over 160 cities throughout the world. A total of 7,096,714 passengers used MKE in 2018.

MKE continues to grow with a $7 million renovation of its concessions now underway, and increased air service demand due to the significant amount of business development in southeastern Wisconsin and the selection of Milwaukee as host city for the 2020 Democratic National Convention.

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

The Milwaukee County Transit System ("MCTS") has an active bus fleet of 391 buses serving 59 routes. Bus fares are collected on approximately 30 million passenger trips annually (an amount that does not include passengers entering a bus using a transfer ticket). A bus replacement program has provided 246 new buses since 2012, and 23 additional buses have been ordered in 2019 with delivery expected in mid-2020. Budgeted fare revenue and federal and state aid account for approximately 94 percent of operating costs. MCTS also has a paratransit program for persons with disabilities.

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

The MCTS is separately managed by Milwaukee Transport Services, Inc. ("MTS"), with separate union agreements for its employees. MTS's current labor contract with its employees effective April 1, 2015 expired March 31, 2018 is now on extension. MTS and the union have been negotiating a new contract for over 18 months. Certain proposed route reductions, together with concerns of union leadership around wage increases and security issues led to an impasse in negotiations. MTS and the union met with assistance from a mediator multiple times in advance of MTS submitting its final contract offer in early August 2019. A union vote was held on September 5, 2019, at which the union rejected the final contract offer and further voted to authorize the executive board of the union to call a strike if necessary. The union is expected to request that negotiations be resumed. No representations can be made regarding whether the union will call a strike or what impact any such strike would have on MCTS. In the event a new contract is not successfully negotiated, the County would be permitted under State law to enforce the terms of its final contract offer.

The Highway Division maintains 57 centerline miles of freeways, 100 centerline miles of state trunk highways and approximately 87 centerline miles of county trunk highways. Expenses for general and winter maintenance of state trunk highways within the County are fully offset by state reimbursement revenues.

The Transportation Services Division provides transportation planning and engineering services and cost-effectively plans, designs and implements projects necessary to maintain and enhance the safety and efficiency of the County's

highways, bridges and traffic control facilities. Transportation functions include highway engineering, construction management, bridge engineering and traffic engineering.

**Courts and Judiciary.** The Courts and Judiciary function includes the Department of Combined Court Related Operations, Pretrial Services Division, and the Department of Child Support Services. State and other non-tax revenues support approximately 56.3 percent of the County's cost of the Courts and Judiciary function.

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

The Family Court Commissioner Division conducts hearings for family matters of separation, divorce, and 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 767.405 of the *Wisconsin Statutes*.

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

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

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

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

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

**Public Safety.** The Public Safety function includes the Milwaukee County Sheriff's Office ("MCSO"), the House of Correction ("HOC"), the District Attorney, the Department of Emergency Management and the Medical Examiner. For 2019, budgeted operating revenues support approximately 25.4 percent of the costs of these departments.

MSCO is a full-service law enforcement agency charged with maintaining the peace within Milwaukee County and operating the Milwaukee County Jail. MCSO has full law enforcement authority throughout Milwaukee County. In addition to the safe and humane operation of the Milwaukee County Jail, MCSO's primary duties include providing

police services to Milwaukee County's courts, airports, parks, expressways and major facilities; conducting criminal investigations; effecting arrests and warrants; serving process papers; and extraditing criminals.

The field and detention operations of the Milwaukee County Sheriff's Office are divided into two commands: the Police Services Bureau and the Detention Services Bureau. The Police Services Bureau is responsible for patrolling Milwaukee County's grounds, airports, parks and expressways, effectuates the service of civil process, and provides security and bailiff services to the Milwaukee County Circuit Court at each of its facilities. In addition, the Police Services Bureau includes the Criminal Investigation Division and all investigatory personnel assigned to six inter-agency task forces. The Police Services Bureau also encompasses specialty units including the Special Weapons and Tactics Team, the Major Incident Response Team, the Explosive Ordnance Disposal Unit, the Maritime Unit, the K-9 Unit, the Targeted Enforcement Unit (Parks Patrol) and the Motor Unit.

The Detention Services Bureau is responsible for the operation of the Milwaukee County Jail, a secure detention facility with a total bed space of 960 detainees. The Milwaukee County Jail is primarily a pre-trial holding facility, although a small number of sentenced offenders awaiting transfers or hearings are also housed within the jail. The Sheriff has the authority to request the transfer of inmates between the Milwaukee County Jail and the House of Correction to maximize the use of available bed space.

The efficient management of MCSO's field and detention operations is facilitated by those functions of the agency concerned with operational integrity and executive support. The Administration Services Bureau comprises intelligence operations, information management and associated investigatory functions housed within the Law Enforcement Analytics Division (LEAD), which also provides technical support and statistical insight into the overall operations of MCSO.

Additional management and compliance services are directed by the Chief Legal and Compliance Officer, who oversees personnel associated with critical functions including legal and regulatory compliance, Internal Affairs investigations, policy development, strategic planning, and executive support services. MCSO's Fiscal Affairs Division oversees fiscal monitoring, accounting and preparation of the annual budget. MCSO's Office of Public Affairs and Community Engagement serves as the agency's media liaison, public communications hub and facilitator of relationships with neighborhood and community organizations.

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

The functions of the HOC are defined in Chapters 302, 303, 304 and 973 of the Wisconsin Statutes. This institution receives and maintains custody of all sentenced inmates in Milwaukee County committed by authorized courts for periods not exceeding one year per conviction and from other jurisdictions as authorized by County ordinance. The HOC provides programs of work release, community service, personal growth, education, work readiness and job training/certification and Alcohol & Other Drug Abuse ("AODA") programs, as well as cognitive services and treatment; provides medical, dental and other necessary services in conjunction with the Detention branch of the Sheriff's Department; and releases inmates upon expiration of sentence, upon orders of the courts or other recognized authorities. Section 302.315 of the Wisconsin Statutes permits, but does not require, this institution to receive and maintain custody of pretrial inmates at the request of the Milwaukee County Sheriff. The HOC also operates a program of home detention using electronic surveillance equipment and other systems of control. The HOC is also responsible for the management and administration of the Day Reporting Center ("DRC") where sentenced inmates and those completing deferred prosecution agreements can obtain a GED, enhanced education skills, personal growth, job training and employment obtainment services as well as participate in AODA treatments/services.

The Milwaukee County District Attorney's Office, pursuant to Section 978.05 of the *Wisconsin Statutes*, has jurisdiction for criminal and juvenile cases in the circuit courts of Milwaukee County. General Crimes Division staff are responsible for general felony and misdemeanor courts; Violent Crimes Division staff are responsible for all specialized felony courts; Juvenile Division staff are responsible for the Children's Court of Milwaukee County; the Community Prosecution Unit supervises community prosecutors in Milwaukee police district stations and the Domestic Violence Unit prosecutes all domestic violence cases in three specialized courts. District attorneys and assistant district attorneys present evidence, argue motions, negotiate cases and conduct jury and court trials.

The District Attorney's Office investigates public corruption, major multi-jurisdictional crimes, industrial deaths and injuries, as well as providing post-charging investigation on major crimes, and maintains office security. The District Attorney's Office also operates the Maurice W. Pulley Jr. Witness Protection Program, which seeks to insure that witnesses who are threatened or intimidated are able to safely appear and testify in court and the Diversion and Treatment Alternatives to Criminal Charges Program, and administers federal and state grant funded programs, including the Victim/Witness Program, the Victims of Crime Act, the Byrne Justice Assistance Grant Prosecution of Drug Crimes, Violence Against Woman Acts, and the High Intensity Drug Trafficking Area grant, among others.

The Office of Emergency Management ("OEM") was created as part of the 2015 Adopted Budget. The OEM includes five program areas: Emergency Management, 9-1-1/ Communications Center, Radio Services, Emergency Medical Services ("EMS"), and the Director's Office. The first two program areas were transferred from the Office of the Sheriff, the entire public safety radio system from the county's IT department, and lastly, emergency medical services from the Department of Health and Human Services ("DHHS"). The mission of the OEM is the protection of lives and property through exacting communications to decision-makers and through the total coordination of resources, on-location and on-time, not only during a crisis, but daily. The OEM utilizes the "whole community" approach, meaning, collaborative preparedness activities among public and private entities that is data-driven, thereby sustaining a local alliance of partners that offer unique contributions to assist civic society in bouncing back from the physical, social and economic challenges of our increasingly complex culture.

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

**General Governmental Services.** The General Governmental Services group includes the County Treasurer, the County Clerk, the Register of Deeds, and the Office of the Comptroller[1] and an Election Commission. As a group, budgeted operating revenues support 156.6 percent of the costs of these departments.

The County Treasurer traditionally produces revenues in excess of expenditures because interest on delinquent property taxes is included in this operating budget. The interest and penalties for 2018 was approximately $2.1 million; the 2019 budget includes $2.8 million of interest and penalties, which is an increase of $0.7 million compared to the 2018 actual amount.

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

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

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

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

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

Commission and Ethics Board. As a group, operating revenues support 26.5 percent of expense for administrative functions.

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

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

The County has 4325.6 funded full-time equivalent employee positions budgeted in 2019. This count represents the number of actual positions funded in the Adopted Budget. Departments may also budget amounts for special premiums, salary adjustments, shift differentials, overtime or vacancy and turnover, which modify the overall funded count. By including the aforementioned salary dollars, the funded full-time equivalent is 4,400 employees. The number of individuals actually employed by the County fluctuates on a seasonal basis. When Wisconsin Act 10 was enacted in July 2011, certified non-public safety bargaining units were required to go through a re-certification process. Milwaukee District Council 48, AFSCME, AFL-CIO did not go through the re-certification process, and was de-certified on January 30, 2012. The total membership of AFSCME at the time of decertification was approximately 2,800.

In November 2016, the International Union of Operating Engineers, Local 139, AFL-CIO filed a petition with the Wisconsin Employment Relations Commission, requesting the Commission to conduct an election, pursuant to the Municipal Employment Relations Act, among certain employees of the County, to determine whether the employees desired to be represented by the International Union of Operating Engineers, Local 139, AFL-CIO. In 2017, an election was conducted and on February 6, 2017 the International Union of Operating Engineers, Local 139, AFL-CIO was certified as their representative.

As of June 2019, approximately 15 percent of all individuals employed by the County were organized and represented by labor organizations as described below.

**Milwaukee County Employees by Union Representation**

| Union | Approximate Number of Employees Represented | Contract Expiration Date |
|---|---|---|
| Milwaukee Deputy Sheriff's Association ("MDSA") | 277 | 12/31/2018[1] |
| Federation of Nurses and Health Professionals, Local 5001, AFT, AFL-CIO | 129 | 12/31/2018[1] |
| Milwaukee Building and Construction Trades Council, AFL-CIO | 76 | 12/31/2018[2] |
| International Union of Operating Engineers, Local 139, AFL-CIO | N/A | N/A[3] |
| Association of Milwaukee County Attorneys | 50 | 12/31/2018[2] |
| Technicians, Engineers and Architects of Milwaukee County | 36 | 12/31/2018[2] |
| Milwaukee County Firefighters Association | 17 | 12/31/2019 |
| Total Represented Employees | 585 | |

[1] Contract currently under negotiation
[2] Contract has been negotiated, but needs County Board approval
[3] The union did not recertify

***Defined Benefit Pension Plan***

**The Employees' Retirement System of the County of Milwaukee.** The Employees' Retirement System of the County of Milwaukee (the "ERS") was established in 1938 and is a single-employer defined benefit pension plan. The ERS was substantially noncontributory until 2011. In that year, employees were required under Act 10 to begin contributing half of the actuarially determined ARC to the ERS. Public safety employees were specifically exempted from this requirement under Act 10, but similar employee pension contributions have been negotiated with public safety worker unions.

The Board of Trustees of ERS has the responsibility for the overall performance of the ERS. The Board is the fiduciary of the ERS and is responsible for carrying out the investment functions solely in the interest of the members and benefit recipients. Requests for ERS financial information should be sent to: Milwaukee County ERS, 901 N. 9th Street Room 210C, Milwaukee, WI 53233. Information regarding ERS can also be obtained at: http://county.milwaukee.gov/Retirement. Such information is prepared by the entity maintaining such website, and no such information is incorporated herein by this reference.

*County Contribution*

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

The County's actuary determines the Actuarial Determined Contribution ("ADC") and the County makes contributions to the ERS based upon the ADC, with adjustments made at the discretion of the County Board of Supervisors and the County Executive. The ADC is based on the normal cost (the actuarial liability for benefits earned by active employees for the current year) plus interest plus a twenty year amortization of the unfunded liability. Because the County issued pension obligation notes in 2009, State Statute directs that the County must, at a minimum, contribute the normal cost. The County typically budgets contributions to the ERS to fully fund the ADC. In each actuarial valuation report, the actuary provides a "Projected" ADC for the upcoming budget year. The appropriation is generally set using this projection. In the subsequent actuarial valuation report, the actuary will provide the "Actual" contribution requirement. Differences between the ADC and the amount actually contributed have varied over the past five years. In 2017 the contributions were more than the ADC for ERS by $0.2 million. In 2018 the contributions were more than the ADC for ERS by $0.7 million. The total employer and employee contribution for 2017 and 2018 was $66.0 million and $72.2 million, respectively.

During 2015, the County adopted GASB 68 – Accounting and Financial Reporting for Pensions ("GASB 68") and GASB 71- Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB 68 requires calculation of a net pension liability for the pension plan in lieu of an UAAL. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results. As of December 31, 2018 the total pension liability of ERS is $2.293 billion and the plan's fiduciary net position is $1.618 billion, resulting in a net pension liability of $674.753 million. The Plan Fiduciary Net Position as a percentage of the Total Pension Liability was 70.6%.

*Eligibility for Normal Retirement*

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

The most recent actuarial valuation indicates that as of December 31, 2018 there were 12,910 participants of which 8,037 were receiving benefits.

*Amount of Normal Retirement Benefit*

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

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

*History of Changes Since 2010 to Pension Benefits*

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

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

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

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

- For 2015, 2016, 2017, 2018, and 2019 the pension contribution rates were 5.3, 6.5, 6.5, 6.5, and 6.5 percent respectively for non-public safety employees.

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

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

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

In 2017, the County Executive convened a Retirement Sustainability Taskforce to study the County's pension system to ensure retirement security for future retirees and long-term fiscal sustainability for the County and to develop recommendations on pension system modifications that should be considered. In November 2018, the task force released its final report. The report included the following proposed benefit changes:

- New hires would be moved to Wisconsin Retirement System ("WRS") and receive benefits through that system. ERS would be closed to new entrants.
- Non-vested employees would potentially be moved to WRS as well and vested Milwaukee County workers could potentially receive future service through WRS.
- Employee contribution rates would be subject to a maximum level (though this may require a change in State law).
- Cost of living adjustment ("COLA") reductions/modifications would be applied to reduce the unfunded liability and share costs.
- The WRS rules, or something similar, would be considered in identifying how to reinstate COLAs when full funding is reached and provide both risk sharing as well as sharing of gains.

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

| Year | Number of Retirements |
|---|---|
| 2018 | 315 |
| 2017 | 246 |
| 2016 | 291 |
| 2015 | 274 |
| 2014 | 259 |

As of July 2018, the County has paid out a total of $326.9 million in lump-sum payments for the backdrop to 2,545 individuals upon retirement.

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

The most recent valuation of the ERS dated December 31, 2018 indicates a 70.6 percent funded status. This funded ratio is based on a Plan Fiduciary Net Position of $1,618,310,314 and a Total Pension Liability of $2,293,063,354. The table on the next page provides five years of ERS net pension liability calculations. The County's CAFR for fiscal year ended December 31, 2018, which is attached as Appendix A hereto, provides additional historical schedules of funding progress for the ERS under previous GASB requirements.

**ERS Net Position Liability**
(Unaudited - in Thousands)

| Actuarial Valuation Date | Fiscal Year Ending | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability | Plan Fiduciary Net Position as a percentage Total Liability |
|---|---|---|---|---|---|
| | | (a) | (b) | (a+b) | (b/a) |
| 12/31/2018 | 12/31/2018 | $ 2,293,063 | (1,618,310) | $ 674,753 | 70.57% |
| 12/31/2017 | 12/31/2017 | 2,307,849 | (1,786,409) | 521,440 | 77.41% |
| 12/31/2016 | 12/31/2016 | 2,256,308 | (1,671,682) | 584,626 | 74.09% |
| 12/31/2015 | 12/31/2015 | 2,262,851 | (1,716,152) | 546,699 | 75.84% |
| 12/31/2014 | 12/31/2014 | 2,222,620 | (1,822,580) | 400,041 | 82.00% |

Source: Employees' Retirement System of the County of Milwaukee, 2018 Annual Report of the Pension Board

The table below provides five years of ERS employer contributions progress. The ADC for ERS for the fiscal year ended December 31, 2018 was $71,422,581, and contributions totaled $73,829,344. The methods and assumptions used to calculate the ADC are in the respective January 1 actuarial valuation reports. Prior to fiscal year ending December 31, 2014 the ADC shown is calculated based upon GASB No 25.

**ERS Schedule of Employer Contributions**
(Unaudited - in Thousands)

| Actuarial Valuation Date | Fiscal Year Ending | (ADC) Actuarial Determined Contribution | Contributions Related to ADC | Contribution (deficiency) / excess | Covered Employee Payroll | Contributions as a percentage Covered Payroll |
|---|---|---|---|---|---|---|
| | | (a) | (b) | (b-a) | (c) | (b/c) |
| 1/1/2018 | 12/31/2018 | $ 71,423 | $ 73,829 | $ 2,407 | $ 189,451 | 38.97% |
| 1/1/2017 | 12/31/2017 | 65,799 | 65,991 | 192 | 186,214 | 35.44% |
| 1/1/2016 | 12/31/2016 | 63,067 | 62,769 | (298) | 194,872 | 32.21% |
| 1/1/2015 | 12/31/2015 | 57,854 | 48,405 | (9,448) | 191,433 | 25.29% |
| 1/1/2014 | 12/31/2014 | 29,565 | 29,057 | (508) | 188,605 | 15.41% |
| 1/1/2013 | 12/31/2013 | 32,137 | 30,953 | (1,184) | 189,132 | 16.37% |

Source: Employees' Retirement System of the County of Milwaukee, 2018 Annual Report of the Pension Board

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net pension liability of the ERS. For more detailed information regarding the ERS and such actuarial assumptions, see Note 15 in the County's audited financial statements, attached as Appendix A hereto.

**OBRA 1990 Retirement System.** The County has also established the OBRA 1990 Retirement System of the County of Milwaukee ("OBRA") to cover seasonal and certain temporary employees not enrolled in ERS. As of December 31, 2018, there were 5,801 participants with vested benefits in OBRA of which 52 are receiving benefits.

The most recent valuation of the OBRA dated December 31, 2018 indicates a 44.7 percent funded status. This funded ratio is based on a Plan Fiduciary Net Position of $2,943,461 and a Total Pension Liability of $6,582,278. The table on the following page provides five years of OBRA net pension liability calculations. The County's CAFR for fiscal year ended December 31, 2018, which is attached as Appendix A hereto, provides additional historical schedules of funding progress for OBRA under previous GASB requirements.

**OBRA Net Position Liability**
(Unaudited - in Thousands)

| Actuarial Valuation Date | Fiscal Year Ending | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability | Plan Fiduciary Net Position as a percentage Total Liability |
|---|---|---|---|---|---|
| | | (a) | (b) | (a+b) | (b/a) |
| 12/31/2018 | 12/31/2018 | $ 6,582 | (2,943) | $ 3,639 | 44.70% |
| 12/31/2017 | 12/31/2017 | 5,806 | (2,205) | 3,601 | 37.98% |
| 12/31/2016 | 12/31/2016 | 4,606 | (1,514) | 3,092 | 32.87% |
| 12/31/2015 | 12/31/2015 | 4,028 | (1,311) | 2,718 | 32.53% |
| 12/31/2014 | 12/31/2014 | 3,721 | (1,560) | 2,161 | 41.93% |

Source: Employees' Retirement System of the County of Milwaukee, 2018 Annual Report of the Pension Board

The table on below provides five years of OBRA employer contributions progress. The ADC for OBRA for the fiscal year ended December 31, 2018 was $577,392, and the County contributed $904,000. The methods and assumptions used to calculate the Actuarially Determined Contributions are in the respective January 1 actuarial valuation reports. Prior to fiscal year ending December 31, 2014 the ADC shown is calculated based upon GASB No 25.

**OBRA Schedule of Employer Contributions**
**(Unaudited - in Thousands)**

| Actuarial Valuation Date | Fiscal Year Ending | (ADC) Actuarial Determined Contribution | Contributions Related to ADC | Contribution (deficiency) / excess | Covered Employee Payroll | Contributions as a percentage Covered Payroll |
|---|---|---|---|---|---|---|
| | | (a) | (b) | (b-a) | (c) | (b/c) |
| 1/1/2018 | 12/31/2018 | $ 577 | $ 904 | $ 327 | $ 3,282 | 27.54% |
| 1/1/2017 | 12/31/2017 | 804 | 833 | 29 | 3,640 | 22.88% |
| 1/1/2016 | 12/31/2016 | 827 | 819 | (8) | 3,926 | 20.86% |
| 1/1/2015 | 12/31/2015 | 770 | 440 | (330) | 3,925 | 11.21% |
| 1/1/2014 | 12/31/2014 | 374 | 440 | 67 | 3,478 | 12.65% |
| 1/1/2013 | 12/31/2013 | 389 | 360 | (29) | 7,736 | 4.65% |

Source: Employees' Retirement System of the County of Milwaukee, 2018 Annual Report of the Pension Board

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net pension liability of the OBRA. For more detailed information regarding the OBRA and such actuarial assumptions, see Note 15 in the County's audited financial statements, attached as Appendix A hereto.

***Other Post-Employment Benefits***

*Milwaukee County Other Post-Employment Benefits – Excluding Milwaukee County Transit System ("MCTS")*

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

During 2018, the County adopted GASB 75 – Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions ("GASB 75"). GASB 75 requires calculation of an OPEB liability. The County is on a pay-as-you-go basis for its OPEB liability and thus has not established a trust for the payment of these liabilities. MCTS has established a trust and thus also reports on the OPEB plan fiduciary net position, which is a direct offset to the OPEB liability thus resulting in a net OPEB liability for MCTS. The OPEB liability is the present value of the amounts needed to pay OPEB health and life benefits earned by each participant based on meeting minimum service requirements and eligibility rules as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date.

The County required an actuarial report for its employees, and a separate actuarial report was prepared for the Milwaukee County Transit System (the "MCTS"), which is separately managed by Milwaukee Transport Services, Inc., a non-stock, not-for-profit Wisconsin corporation. An actuarial valuation report was prepared as of January 1, 2018 for the County, based on GASB #75. The County's liability for OPEB for all funds, excluding the MCTS, was estimated at $1.346 billion, based on a 3.2 percent discount rate. The discount rate for an unfunded plan is based on a twenty year municipal bond yield, as required by GASB #75.

The OPEB expense for the year ended December 31, 2018 for the County was $50.1 million, which included service cost of $7.4 million and interest cost on the OPEB liability of $42.7 million. Offsetting the increases to the liability for OPEB expense was a deferral of the difference between expected and actual experience of $1.0 million and benefit payments made by the County was $61.7 million. The OPEB expense was exceeded by these offsets thus decreasing the OPEB liability by $12.6 million for 2018.

While the County has made progress in recent years by reducing costs in the area of employee and retiree health care and the rollback of the 2001 pension enhancements, employee compensation and fringe benefits continues to be a cost pressure in 2019 and beyond. Resolving the County's projected structural imbalance will require it to review its current expenditure commitments, revenue streams and the cost pressures previously outlined. The County will then need to decide whether it will reduce expenditure commitments to accommodate the projected costs of health benefits, pension contributions and OPEB or seek and establish new revenue sources. This will require the County to reevaluate its core functions, and the funding assumptions used to support them.

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

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*Milwaukee County Transit System*

MTS has established a post-retirement health and life insurance plan for all of its employees. Health insurance benefits are available only to employees hired before July 16, 2007, based on the number of years of service. An actuarial valuation report was prepared as of January 1, 2018 for the MCTS, based on GASB #75. The MCTS net OPEB liability was estimated at $388.2 million, based on a 3.50 percent discount rate. The discount rate for the plan is a weighted rate based on the expected 7.25% return on assets and a 2.75% 20 year AA municipal bond rate. The OPEB liability less the plan fiduciary net position for the MCTS of $102.9 million, results in a net OPEB liability of $285.3 million.

The OPEB expense for the year ended December 31, 2018 for the MCTS was $11.8 million, which included service cost of $4.7 million, interest cost on the OPEB liability of $13.3 million less the expected return on investments of ($6.3) million. Offsetting these increases to the Net OPEB liability were contributions from the employer of $16.9 million and deferrals for actual earnings in excess of the expected return on assets of $6.8 million. The OPEB expense was exceeded by these offsets thus resulting in a decrease in the Net OPEB Liability of ($12.0) million

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

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# COMMUNITY CHARACTERISTICS

***Population, Income, and Employment Trends***

The January 1, 2019 preliminary population estimate for the County by the State of Wisconsin Department of Administration is 945,509. The five most recent United States Department of Commerce, Bureau of the Census decennial estimates for the County are presented below.

**Population Statistics**

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

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

**Per Capita Personal Income**

| Year | Milwaukee County | State of Wisconsin | United States |
|---|---|---|---|
| 2017 | $ 45,099 | $ 48,941 | $ 51,640 |
| 2016 | 43,621 | 47,426 | 49,831 |
| 2015 | 43,291 | 46,571 | 48,940 |
| 2014 | 41,981 | 44,785 | 47,025 |
| 2013 | 40,633 | 43,079 | 44,826 |

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

**Unemployment Rate**

| Year | Milwaukee County | State of Wisconsin | United States |
|---|---|---|---|
| 2018 | 3.6% | 3.0% | 3.9% |
| 2017 | 4.0% | 3.3% | 4.4% |
| 2016 | 5.0% | 4.0% | 4.9% |
| 2015 | 5.7% | 4.6% | 5.3% |
| 2014 | 6.9% | 5.4% | 6.2% |

### *Location and Transportation System*

The County's location on Lake Michigan, near the nation's geographic center and in close proximity to the Chicago metropolitan area, provides many logistical advantages. The County has a well-developed arterial street and highway system, including four interstate highways, three major U.S. highways and 15 state highways.

Passenger rail service is available from Amtrak, and national and inter-city bus lines also serve the County. Freight service is provided to other metropolitan areas by numerous trucking establishments and two major railroads, the Union Pacific and Canadian Pacific. Both railroads provide direct pier delivery to Port Milwaukee a major Great Lakes commercial port with at total port tonnage of 2,393,897 metric tons. Port Milwaukee handles approximately 2.4 million tons of cargo each year including steel, cement, salt, limestone, grain, ethanol, propane and heavy machinery.

Passenger air service is available through Mitchell International Airport ("MKE"). More than 40 cities are served non-stop or direct, and connections are available to cities throughout the world. A total of 7,096,714 passengers used MKE in 2018. For more information on MKE, see "COUNTY GOVERNMENT – Services Provided by the County" herein.

### *Education*

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

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***Business Outlook Survey***

According to the Milwaukee Metropolitan Association of Commerce Business Outlook Survey, Third-Quarter, 2019, 77% of area businesses surveyed forecast third-quarter sales gains, 69% forecast profit gains, and 62% expect job growth in the calendar year.

Survey results suggest that local employment gains are likely to continue. Employment growth in the metro area has improved in early 2019 with 57% of all businesses surveyed predicting higher third-quarter job levels, while 37% see no change in future job levels. Employers expect per employee wages and salaries to increase by 3.5% over the next twelve months.

The survey contains responses from 87 Milwaukee area firms, employing more than 40,900 people.

**Larger Area Private-Sector Employers**

| Company | Business Description | Approximate Employment |
|---|---|---|
| Aurora Health Care Inc. | Health Care System | 28,539 |
| Froedtert & Community Health | Health Care System | 12,647 |
| Ascension Wisconsin | Health Care System | 10,600 |
| Roundy's Supermarkets, Inc. | Retail Supermarkets | 8,601 |
| Quad | Marketing Solutions | 8,000 |
| Kohl's Corp. | Retailer | 7,000 |
| Medical College of Wisconsin | Private Medical School | 6,400 |
| GE Healthcare | Health Care Technologies | 6,000 |
| Children's Hospital | Health Care System | 5,322 |
| Northwestern Mutual | Insurance, Investment Products | 5,000 |
| ProHealth Care | Health Care Provider | 4,338 |
| Rockwell Automation Inc. | Industrial Automation Products | 4,000 |
| U.S. Bank | Banking Services | 3,700 |
| Goodwill Industries | Training Programs, Retail, & Food Service | 3,419 |
| Piggly Wiggly Midwest | Retail Grocer | 3,290 |
| (FIS) Fidelity National Info. Services | Banking and Payments Technology | 3,230 |
| WEC Energy Group Inc. | Utility | 3,200 |
| The Marcus Corp. | Theaters and Hotel Properties | 3,160 |
| Marquette University | University | 2,926 |
| Uline Inc. | Distributor | 2,720 |
| Potawatomi Hotel and Casino | Casino | 2,669 |
| Harley-Davidson Inc. | Motorcycles & Accessories | 2,612 |
| BMO Harris Bank | Bank Holding Company | 2,519 |
| Amazon[(1)] | Online Retailer | 2,500 |
| SC Johnson | Consumer Goods | 2,500 |

[(1)] The number of Amazon's local employees is more than 2,500
Source: Milwaukee Business Journal, as of August 16, 2019

**Major Industrial Taxpayers in the County**

| Name of Company | Type of Business or Service | 2018 Full Market Value | % of County's 2018 Full Market Value |
|---|---|---|---|
| General Electric | Manufacturer, medical equipment | $90,312,300 | 0.14% |
| Harley-Davidson | Manufacturer, motorcycles | 62,901,400 | 0.10% |
| Millercoors | Manufacturer, beer and aluminum cans | 62,576,100 | 0.10% |
| Quad/Graphics Inc. | Printing | 37,236,400 | 0.06% |
| Rockwell Automation | Manufacturer, electrical/electronic products | 36,921,200 | 0.06% |
| Briggs & Stratton Corporation | Manufacturer, small engines | 32,690,800 | 0.05% |
| Sigma Aldrich Corporation | Manufacturer/distributor, specialty chemicals and research chemists | 28,158,600 | 0.04% |
| Rexnord Industries | Manufacturer, power transmissions | 27,777,700 | 0.04% |
| Caterpillar | Manufacturer, mining equipment | 26,471,100 | 0.04% |
| Baptista's Bakery Inc. | Manufacturer/Marketer, consumer foods | 24,793,100 | 0.04% |
| Brady Worldwide Inc. | Manufacturer, safety and facility identification | 21,891,200 | 0.03% |
| Stella & Chewy's | Manufacturer, dog and cat food | 17,321,500 | 0.03% |
| Hellermann Tyton Corp | Manufacturer, systems and solutions | 16,864,600 | 0.03% |
| Joy Global | Manufacturer, mining equipment | 16,728,300 | 0.03% |
| Palermos Properties LLC | Distributor, frozen pizza | 16,528,700 | 0.03% |
| Journal Media Group | Publishing and printing | 16,327,800 | 0.03% |
| Patrick Cudahy | Manufacturer, processes meats | 14,766,800 | 0.02% |
| Great Lakes Coca Cola | Manufacturer, beverage containers and bottling beverages | 14,416,100 | 0.02% |
| Bostik Inc. | Manufacturer, adhesives and sealants | 14,115,400 | 0.02% |
| Eroc Fuels | Environmental Controls | 13,237,600 | 0.02% |
| Charter Wire | Manufacturer | 12,624,300 | 0.02% |
| All Glass Aquarium | Manufacturer, aquariums | 12,425,300 | 0.02% |
| P.P.G. Industries Inc. | Manufacturer, coatings and resins | 12,279,600 | 0.02% |
| ATI Ladish | Metalworking/Forging | 10,390,200 | 0.02% |
| Krones Inc. | Manufacturer, packaging and bottling | 9,946,300 | 0.02% |
| | | $649,702,400 | 1.01% |

Total 2018 Milwaukee County Equalized Value (TID Included) $64,065,615,200

Source: Wisconsin Department of Revenue

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**Major Non-Industrial Taxpayers in the County**

| Name of Company | Type of Business | 2018 Full Market Value | % of County's 2018 Full Market Value |
|---|---|---|---|
| Northwestern Mutual Life Insurance Co. | Insurance | $575,134,120 | 0.96% |
| Mayfair Mall LLC | Shopping Mall | 502,167,805 | 0.83% |
| Bayshore Town Center LLC | Shopping Mall | 356,476,969 | 0.59% |
| US Bank Corp | Banking | 242,364,606 | 0.40% |
| Mandel Group | Real Estate | 235,267,422 | 0.39% |
| Aurora Health | Health Care | 178,226,793 | 0.30% |
| Southridge Mall & Plaza | Shopping Mall | 147,444,433 | 0.24% |
| Metropolitan Associates | Real Estate | 143,806,606 | 0.24% |
| Wal-Mart/Sam's Club | Retailer | 141,590,937 | 0.24% |
| Juneau Village/Prospect Tower/Katz | Real Estate | 125,519,780 | 0.21% |
| 411 East Wisconsin-Middleton Milwaukee | Real Estate | 117,844,731 | 0.20% |
| Burleigh Mayfair Llc | Shopping Mall | 114,550,543 | 0.19% |
| Jackson Street Holdings | Hotels | 112,881,395 | 0.19% |
| Marcus Corp./Milw.City Center/Pfister | Hotels, Theaters, Convention Center | 110,420,584 | 0.18% |
| Wheaton Franciscan Healthcare | Health Care | 109,455,318 | 0.18% |
| Irgens | Real Estate | 108,741,527 | 0.18% |
| Forest County Potawatomi Community | Hotel, Parking Structure | 107,168,686 | 0.18% |
| Gormon & Co. | Real Estate | 93,266,162 | 0.15% |
| 100 E. Wisconsin Ave - Hertz Milwaukee | Real Estate | 77,268,590 | 0.13% |
| Schlitz Park/Brewery Works | Real Estate | 74,833,689 | 0.12% |
| One Hundred MP Way LLC (Manpower) | Recruiting/Job Placement | 65,746,054 | 0.11% |
| Park Lafayette Apartments | Real Estate | 60,586,792 | 0.10% |
| Robert Franseway, Springbrook Circle | Real Estate | 55,720,963 | 0.09% |
| Milwaukee Center Mgmt LLC | Real Estate | 54,024,975 | 0.09% |
| 875 East Wisconsin | Real Estate | 51,732,268 | 0.09% |
| | | $3,962,241,748 | 6.58% |

Total 2018 Milwaukee County Equalized Value (TID Included) $64,065,615,200

Source: Wisconsin Department of Revenue

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**Major Construction Projects Planned and in Process in the County**

**Construction Projects Located in the City of Milwaukee**

| Project Name | Municipality | Project Type | Estimated Project Costs |
|---|---|---|---|
| Children's Hospital of Milwaukee | City of Milwaukee | Medical | $ 265,000,000 |
| Saint John's On the Lake | City of Milwaukee | Medical | 105,000,000 |
| Milwaukee Symphony Orchestra | City of Milwaukee | Theatre | 89,000,000 |
| R1VER Development | City of Milwaukee | Commercial | 82,000,000 |
| Potawatomi Hotel & Casino | City of Milwaukee | Hotel | 80,000,000 |
| BMO Tower | City of Milwaukee | Commercial | 78,000,000 |
| Milwaukee City Hall Foundation Restoration | City of Milwaukee | Government | 40,000,000 |
| MSOE Computational Science Hall | City of Milwaukee | Higher Education | 29,000,000 |
| St. Rita Square | City of Milwaukee | Church | 28,970,000 |
| The Huron Building | City of Milwaukee | Commercial | 28,000,000 |
| Cristo Rey Jesuit High School | City of Milwaukee | Educational | 24,000,000 |
| KinetiK Apartments | City of Milwaukee | Residential | 23,200,000 |
| 550 Ultra Lofts | City of Milwaukee | Residential | 19,000,000 |
| The Maxwell | City of Milwaukee | Residential | 17,000,000 |
| Juneau Town Substation | City of Milwaukee | Commercial | 16,700,000 |
| | | **TOTAL** | $ 924,870,000 |

**Construction Projects Located in Other Municipalities**

| Project Name | Municipality | Project Type | Estimated Project Costs |
|---|---|---|---|
| Amazon Project Arrow | City of Oak Creek | Industrial | $ 181,000,000 |
| Milwaukee Regional Medical Center | City of Wauwatosa | Medical | 141,000,000 |
| Froedtert & the MCW Center | City of Wauwatosa | Medical | 83,600,000 |
| Advocate Aurora 84South Health Center | City of Greenfield | Medical | 53,000,000 |
| Froedtert & Medical College of Wisconsin | City of Wauwatosa | Parking Structure | 45,000,000 |
| Franklin Public Schools | City of Franklin | Educational | 43,300,000 |
| Froedtert & Medical College of Wisconsin | City of Wauwatosa | Medical | 43,000,000 |
| Marriott Renaissance Hotel | City of Wauwatosa | Hotel | 35,000,000 |
| Orchard Hills | City of Oak Creek | Residential | 33,900,000 |
| The Mariner | City of St. Francis | Residential | 30,000,000 |
| Greendale School District | Village of Greendale | Educational | 28,800,000 |
| School District of Brown Deer | Village of Brown Deer | Educational | 25,900,000 |
| Wauwatosa Underwood Elementary School | City of Wauwatosa | Educational | 23,800,000 |
| Wauwatosa Lincoln Elementary School | City of Wauwatosa | Educational | 23,400,000 |
| Drexel Ridge – Phase II | City of Oak Creek | Residential | 17,100,000 |
| | | **TOTAL** | $ 807,800,000 |
| | | **GRAND TOTAL** | $ 1,732,670,000 |

Source: Milwaukee Business Journal, as of July 12, 2019.

# DEBT STRUCTURE

***General Obligation Debt by Issue***

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

| Note | Date of Issue | Name of Obligation | Amount Issued | Final Maturity | Interest Rates Outstanding | Principal Outstanding |
|---|---|---|---|---|---|---|
| | 04/02/2009 | Taxable Pension Notes, Series 2009A | $265,000,000 | 12/01/2028 | 5.830% - 6.840% | $116,072,211 |
| 1 | 11/15/2009 | Notes, Series 2009F | 15,610,000 | 08/01/2019 | - | - |
| 2 | 12/21/2010 | Taxable Bonds, Series 2010C (BABs) | 38,165,000 | 10/01/2026 | - | - |
| | 12/21/2010 | Notes, Series 2010D | 9,770,000 | 10/01/2020 | 4.000% | 1,775,000 |
| | 12/20/2012 | Ref. Bonds, Series 2012 | 23,105,000 | 12/01/2020 | 4.000% | 5,965,000 |
| | 02/12/2013 | Taxable Pension Notes, Series 2013 | 138,730,000 | 12/01/2030 | 1.750% - 3.862% | 113,365,000 |
| | 06/27/2013 | Taxable Ref. Bonds, Series 2013B | 99,300,000 | 12/01/2023 | 2.612% - 3.539% | 52,475,000 |
| | 08/14/2013 | Bonds, Series 2013A | 26,935,000 | 09/01/2023 | 3.000% | 9,425,000 |
| | 11/06/2014 | Bonds, Series 2014A | 39,240,000 | 12/01/2029 | 2.000% - 3.250% | 28,765,000 |
| | 11/12/2015 | Bonds, Series 2015A | 31,655,000 | 10/01/2030 | 2.000% - 3.000% | 26,110,000 |
| | 11/12/2015 | Ref. Bonds, Series 2015B | 14,680,000 | 10/01/2021 | 3.000% | 4,685,000 |
| 1 | 11/12/2015 | Bonds, Series 2015C | 3,600,000 | 10/01/2019 | - | - |
| | 11/12/2015 | Taxable QECBs, Series 2015D | 4,860,000 | 10/01/2025 | 1.850% - 2.900% | 2,900,000 |
| | 11/10/2016 | Bonds, Series 2016A | 25,505,000 | 09/01/2031 | 2.000% - 3.000% | 21,855,000 |
| | 11/10/2016 | Taxable QECBs, Series 2016B | 7,120,000 | 10/01/2026 | 1.500% - 2.375% | 4,975,000 |
| | 11/10/2016 | Notes, Series 2016D | 7,465,000 | 09/01/2020 | 2.000% | 1,865,000 |
| | 11/10/2016 | Ref. Bonds, Series 2016E | 16,330,000 | 12/01/2022 | 2.000% - 4.000% | 10,575,000 |
| | 11/08/2017 | Bonds, Series 2017A | 20,755,000 | 09/01/2027 | 2.000% - 2.500% | 16,600,000 |
| | 11/08/2017 | Ref. Bonds, Series 2017B | 15,075,000 | 12/01/2023 | 2.000% - 4.000% | 12,515,000 |
| | 11/08/2017 | Notes, Series 2017C | 6,615,000 | 09/01/2021 | 2.000% - 2.250% | 3,305,000 |
| | 10/11/2018 | Bonds, Series 2018A | 46,890,000 | 08/01/2024 | 5.000% | 43,055,000 |
| 1 | 10/11/2018 | Taxable Ref Bonds, Series 2018B | 4,325,000 | 08/01/2019 | - | - |
| | 10/11/2018 | Taxable Ref Bonds, Series 2018C | 7,060,000 | 08/01/2023 | 2.900% - 3.200% | 5,635,000 |
| | 11/15/2018 | Bonds, Series 2018D | 12,405,000 | 08/01/2028 | 3.000% - 4.000% | 11,160,000 |
| | 11/15/2018 | Notes, Series 2018E | 8,130,000 | 08/01/2022 | 3.000% | 6,565,000 |
| | 11/15/2018 | Taxable Notes, Series 2018F | 6,360,000 | 08/01/2023 | 2.950% - 3.200% | 5,085,000 |
| | | Subtotal - Existing Debt | | | | $504,727,211 |
| | 10/02/2019 | Ref. Bonds, Series 2019A | $ 21,115,000 | 10/01/2026 | 5.000% | $ 21,115,000 |
| | 10/02/2019 | Taxable Ref. Bonds, Series 2019B | 520,000 | 10/01/2020 | 2.125% | 520,000 |
| | 10/02/2019 | Notes, Series 2019C | 8,535,000 | 08/01/2029 | 0.050% - 4.000% | 8,535,000 |
| | | Subtotal - The Obligations | | | | $ 30,170,000 |
| | | TOTAL | | | | $ 534,897,211 |

1. Final maturity occurs before delivery of the Obligations.
2. The 2019A Bonds and 2019B Bonds are being issued to refund the Taxable Bonds, Series 2010C (BABs) dated December 21, 2010. The refunding bonds are included in the total general obligation debt, and the refunded bonds are excluded.

## General Obligation Annual Debt Service Schedule

| | Existing General Obligation Debt | | 2019A Bonds Sale 09/12/2019 | | 2019B Bonds Sale 09/12/2019 | | 2019C Notes Sale 09/12/2019 | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Debt Service |
| 2019 | $ 64,816,614 | $ 20,383,454 | - | - | - | - | - | - | $ 64,816,614 | $ 20,383,454 | $ 85,200,068 |
| 2020 | 61,127,492 | 19,195,724 | $ 1,045,000 | $ 1,052,817 | $ 520,000 | $ 11,019 | $ 825,000 | $ 122,195 | 63,517,492 | 20,381,756 | 83,899,248 |
| 2021 | 57,343,327 | 17,255,798 | 1,685,000 | 1,003,500 | - | - | 830,000 | 138,875 | 59,858,327 | 18,398,173 | 78,256,500 |
| 2022 | 53,544,325 | 15,273,162 | 3,185,000 | 919,250 | - | - | 860,000 | 138,460 | 57,589,325 | 16,330,872 | 73,920,197 |
| 2023 | 51,511,076 | 13,378,260 | 3,365,000 | 760,000 | - | - | 860,000 | 138,030 | 55,736,076 | 14,276,290 | 70,012,366 |
| 2024 | 35,214,377 | 11,442,176 | 3,665,000 | 591,750 | - | - | 860,000 | 120,830 | 39,739,377 | 12,154,756 | 51,894,133 |
| 2025 | 35,500,000 | 9,970,948 | 3,935,000 | 408,500 | - | - | 860,000 | 103,630 | 40,295,000 | 10,483,078 | 50,778,078 |
| 2026 | 36,390,000 | 8,245,975 | 4,235,000 | 211,750 | - | - | 860,000 | 86,430 | 41,485,000 | 8,544,155 | 50,029,155 |
| 2027 | 37,150,000 | 6,420,402 | - | - | - | - | 860,000 | 86,000 | 38,010,000 | 6,506,402 | 44,516,402 |
| 2028 | 36,625,000 | 4,503,126 | - | - | - | - | 860,000 | 60,200 | 37,485,000 | 4,563,326 | 42,048,326 |
| 2029 | 37,195,000 | 2,523,970 | - | - | - | - | 860,000 | 25,800 | 38,055,000 | 2,549,770 | 40,604,770 |
| 2030 | 29,030,000 | 1,139,621 | - | - | - | - | - | - | 29,030,000 | 1,139,621 | 30,169,621 |
| 2031 | 1,820,000 | 54,600 | - | - | - | - | - | - | 1,820,000 | 54,600 | 1,874,600 |
| 2032 | - | - | - | - | - | - | - | - | - | - | - |
| 2033 | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | $ 537,267,211 | $ 129,787,216 | $ 21,115,000 | $ 4,947,567 | $ 520,000 | $ 11,019 | $ 8,535,000 | $ 1,020,450 | $ 567,437,211 | $ 135,766,254 | $ 703,203,465 |
| Pmts. by 10/02/2019 | (32,540,000) | (5,537,997) | - | - | - | - | - | - | (32,540,000) | (5,537,997) | (38,077,997) |
| Total | $ 504,727,211 | $ 124,249,219 | $ 21,115,000 | $ 4,947,567 | $ 520,000 | $ 11,019 | $ 8,535,000 | $ 1,020,450 | $ 534,897,211 | $ 130,228,256 | $ 665,125,467 |

Approximately 94.6% percent of the County's general obligation debt will be retired within ten years.

### *Airport Revenue Debt*

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

**Airport Revenue Debt by Issue**

| Date of Issue | GARB Issue | Amount Issued | Final Maturity | Interest Rates Outstanding | Principal Outstanding |
|---|---|---|---|---|---|
| 12/21/2009 | Airport Revenue, Series 2009A * | 12,690,000 | 12/01/2032 | 4.00% - 5.125% | $ 9,615,000 |
| 10/14/2010 | Airport Revenue, Series 2010A | 31,570,000 | 12/01/2034 | 4.00% - 5.00% | 27,275,000 |
| 10/14/2010 | Airport Revenue Ref., Series 2010B | 51,590,000 | 12/01/2023 | 4.00% - 5.00% | 19,455,000 |
| 08/14/2013 | Airport Revenue, Series 2013A ** | 47,095,000 | 12/01/2038 | 5.00% - 5.25% | 38,615,000 |
| 08/14/2013 | Airport Revenue Ref., Series 2013B | 3,330,000 | 12/01/2022 | 2.50% - 3.625% | 1,400,000 |
| 11/06/2014 | Airport Revenue Ref., Series 2014A | 23,655,000 | 12/01/2029 | 5.00% | 18,975,000 |
| 11/10/2016 | Airport Revenue Ref., Series 2016A | 46,165,000 | 12/01/2032 | 5.00% | 41,740,000 |
| | Subtotal - Existing Debt | | | | $ 157,075,000 |

* Principal Outstanding reflects a cash defeasance of $1,020,000 of principal in 2015.

** Principal Outstanding reflects a cash defeasance of $3,980,000 of principal in 2019.

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

### *Short-Term Debt*

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

### *Future Financings*

The County plans to issue additional Airport Revenue Refunding Bonds to refund Series 2009A, Series 2010A, and Series 2010B Airport Revenue Bonds in 2019. The County also plans to issue additional general obligation promissory notes of approximately $31,000,000 in 2019.

***Legal Debt Limit***

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

| | |
|---|---|
| 2019 Equalized Value | $ 67,178,449,700 |
| Legal Debt Limit (5% of Equalized Value) | 3,358,922,485 |
| | |
| Existing Debt | $ 504,727,211 |
| Plus: The Obligations | 30,170,000 |
| Total Debt (15.9% of Capacity) | $ 534,897,211 |
| | |
| Remaining borrowing capacity (84.1% of Capacity) | $ 2,824,025,274 |

***Payment Record***

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

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## General Obligation Indirect Debt [3]

**Indirect General Obligation Debt of the County**

| Governmental Unit | Outstanding Debt 12/31/2018 | % Debt Within County | Amount of Debt Within County |
|---|---|---|---|
| *Villages:* | | | |
| Village of Bayside | $11,213,173 | 95.99% | $10,763,856 |
| Village of Brown Deer | $19,790,343 | 100.00% | $19,790,343 |
| Village of Fox Point | $9,715,555 | 100.00% | $9,715,555 |
| Village of Greendale | $24,480,000 | 100.00% | $24,480,000 |
| Village of Hales Corners | $10,460,000 | 100.00% | $10,460,000 |
| Village of River Hills | $3,689,912 | 100.00% | $3,689,912 |
| Village of Shorewood | $53,420,679 | 100.00% | $53,420,679 |
| Village of West Milwaukee | $12,384,888 | 100.00% | $12,384,888 |
| Village of Whitefish Bay | $51,080,250 | 100.00% | $51,080,250 |
| Subtotal | $196,234,800 | | $195,785,483 |
| *Cities:* | | | |
| City of Cudahy | $24,510,000 | 100.00% | $24,510,000 |
| City of Franklin | $26,399,970 | 100.00% | $26,399,970 |
| City of Glendale | $39,945,000 | 100.00% | $39,945,000 |
| City of Greenfield | $80,335,000 | 100.00% | $80,335,000 |
| City of Milwaukee | $962,476,349 | 100.00% | $962,476,349 |
| City of Oak Creek | $98,490,000 | 100.00% | $98,490,000 |
| City of South Milwaukee | $28,950,000 | 100.00% | $28,950,000 |
| City of St. Francis | $12,897,492 | 100.00% | $12,897,492 |
| City of Wauwatosa | $121,875,000 | 100.00% | $121,875,000 |
| City of West Allis | $73,255,754 | 100.00% | $73,255,754 |
| Subtotal | $1,469,134,565 | | $1,469,134,565 |
| *School Districts:* | | | |
| Brown Deer | $46,646,184 | 100.00% | $46,646,184 |
| Cudahy | $21,988,000 | 100.00% | $21,988,000 |
| Fox Point-Bayside Schools | $2,865,000 | 97.91% | $2,804,599 |
| Franklin Public Schools | $66,180,000 | 100.00% | $66,180,000 |
| Glendale-River Hills | $1,861,940 | 100.00% | $1,861,940 |
| Greendale | $15,235,000 | 100.00% | $15,235,000 |
| Greenfield | $55,780,953 | 100.00% | $55,780,953 |
| Maple Dale-Indian Hill | $2,308,486 | 100.00% | $2,308,486 |
| Milwaukee Area Technical College | $103,545,000 | 80.16% | $83,002,316 |
| Milwaukee Public | $72,147,613 | 99.99% | $72,144,253 |
| Nicolet High School | $5,135,000 | 99.42% | $5,104,915 |
| Oak Creek-Franklin | $104,800,000 | 100.00% | $104,800,000 |
| Shorewood | $14,185,000 | 100.00% | $14,185,000 |
| South Milwaukee | $25,170,000 | 100.00% | $25,170,000 |
| St. Francis | $11,965,186 | 100.00% | $11,965,186 |
| Wauwatosa | $0 | 100.00% | $0 |
| West Allis - West Milwaukee | $48,519,735 | 92.78% | $45,018,491 |
| Whitefish Bay | $10,605,000 | 100.00% | $10,605,000 |
| Whitnall | $10,063,345 | 100.00% | $10,063,345 |
| Subtotal | $619,001,442 | | $594,863,669 |
| Metropolitan Sewerage District | $815,623,687 | 99.93% | $815,064,269 |
| **Total Overlapping Debt** | **$3,099,994,494** | | **$3,074,847,985** |

*Source: Milwaukee County Office of the Controller*

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

**Direct and Indirect Debt**

| Dec. 31 Year | Direct County Debt | Milwaukee Metropolitan Sewerage District Debt | Cities, Villages, Schools, and Technical College, Debt | Total Direct and Indirect Debt Year End |
|---|---|---|---|---|
| 2018 | $ 564,652,211 | $ 815,623,687 | $ 2,259,783,716 | $ 3,640,059,614 |
| 2017 | 606,788,212 | 889,590,083 | 2,197,472,821 | 3,693,851,116 |
| 2016 | 648,078,000 | 880,614,575 | 2,145,488,533 | 3,674,181,108 |
| 2015 | 662,419,000 | 959,335,532 | 2,030,604,243 | 3,652,358,775 |
| 2014 | 685,014,000 | 923,119,149 | 1,836,811,834 | 3,444,944,983 |

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

| Year | Population | Equalized Value (TID Included) | Total Direct Debt | Percent of Equalized Value | Per Capita | Total Direct and Indirect Debt | Percent of Equalized Value | Per Capita |
|---|---|---|---|---|---|---|---|---|
| 2018 | 950,381 | $ 64,065,612,200 | $ 564,652,211 | 0.88% | $ 594 | $ 3,640,059,614 | 5.68% | $ 3,830 |
| 2017 | 945,416 | 61,413,297,000 | 606,788,212 | 0.99% | 642 | 3,693,851,116 | 6.01% | 3,907 |
| 2016 | 948,930 | 60,292,559,700 | 648,078,000 | 1.07% | 683 | 3,674,181,108 | 6.09% | 3,872 |
| 2015 | 949,795 | 58,553,179,100 | 662,419,000 | 1.13% | 697 | 3,652,523,775 | 6.24% | 3,846 |
| 2014 | 949,741 | 58,253,923,600 | 685,014,000 | 1.18% | 721 | 3,444,944,983 | 5.91% | 3,627 |

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# FINANCIAL INFORMATION

***Tax Assessment***

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

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

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

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

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

**Equalized Value Trends (in Millions of Dollars)**

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| Residential | $ 36,320 | $ 36,886 | $ 37,880 | $ 39,155 | $ 41,784 |
| Commercial | 19,072 | 20,137 | 20,246 | 21,999 | 22,391 |
| Manufacturing | 1,483 | 1,519 | 1,518 | 1,517 | 1,564 |
| Other | 32 | 32 | 33 | 34 | 37 |
| Personal Property | 1,646 | 1,719 | 1,737 | 1,361 | 1,402 |
| Total Equalized Value | 58,553 | 60,293 | 61,413 | 64,066 | 67,178 |
| Less: Tax Increment Value | (2,492) | (3,018) | (3,295) | (3,872) | (4,089) |
| Net Equalized Value | 56,062 | 57,274 | 58,118 | 60,194 | 63,089 |
| Population | 949,795 | 948,929 | 945,416 | 950,381 | 945,509 |
| Equalized Value Per Capita ($) | 61,648 | 63,537 | 64,959 | 67,410 | 71,050 |

Source: Wisconsin Department of Revenue

**Property Tax Levies and Collections (In Millions of Dollars)[4, 5]**

| Year | Total Property Tax Levy | Uncollected Property Taxes Turned Over to the County | Uncollected Property Taxes as Percentage of Total Levy |
|---|---|---|---|
| 2018 | $ 1,108.00 | $ 7.00 | 0.63% |
| 2017 | 1,100.00 | 7.20 | 0.65% |
| 2016 | 1,089.00 | 8.50 | 0.78% |
| 2015 | 1,074.00 | 8.50 | 0.79% |
| 2014 | 1,057.00 | 9.00 | 0.85% |

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

**Property Tax Levies and Collections – City of Milwaukee (in Thousands of Dollars)[6]**

| | | | | Collected for Levy Year | | Collections | | Total Collections to Date | |
|---|---|---|---|---|---|---|---|---|---|
| Budget Year | Taxes Levied for the Fiscal Year (Original Levy) | Purchase and Adjust | Total Adjusted Levy | Current Tax Collections | Percent Original Levy Collected | Purchased Delinquents Original Levy Year | Total Adjusted Levy in Subsequent Years | Amount | Percentage of Adjusted Levy |
| 2018 | $318,887 | $27,045 | $345,932 | $308,991 | 97.14% | $15,624 | -- | $324,615 | 94.05% |
| 2017 | 318,887 | 23,307 | $342,194 | 309,345 | 97.01% | 15,266 | 8,615 | 333,226 | 97.38% |
| 2016 | 312,091 | 22,367 | $334,458 | 302,628 | 96.97% | 10,907 | 15,518 | 329,053 | 98.38% |
| 2015 | 312,216 | 22,685 | $334,901 | 302,084 | 96.76% | 12,471 | 17,033 | 331,588 | 99.01% |
| 2014 | 307,246 | 25,771 | $333,017 | 296,107 | 96.37% | 13,875 | 20,786 | 330,768 | 99.32% |

Source: City of Milwaukee Comprehensive Annual Financial Report, 2018.

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

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

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

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

***Property Tax Rates for County Levies***

In November of each year, the County Board adopts an annual budget for the ensuing calendar year. At that time levies on real and personal property are set. The information provided below reflects the budget year for which taxes are to be used, not the year in which taxes are levied. For example, information listed below for 2019 represents the 2018 property tax levy used to finance the County's 2019 budget. The County Board adopted the 2019 budget on November 5, 2018. The levies summarized below include the state forestry tax and other administrative levies used for regional planning and other non-general County purposes. In September 2017, the State of Wisconsin (Wis, Statute 70.58 (1) eliminated the State Forestry Tax on Property; therefore, the 2018 and 2019 columns do not include the state forestry tax.

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

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| General County Purposes | $ 342.6 | $ 351.2 | $ 357.9 | $360.7 | $359.8 |
| Countywide Emergency Medical Services | -- | 1.6 | 1.6 | 3.0 | 2.7 |
| County Sales Tax Credit | (59.6) | (65.9) | (67.6) | (70.9) | (68.0) |
| State Forestry Taxes/Other Administrative Levies | 10.7 | 10.8 | 10.3 | 0.0 | 0.0 |
| Total Net County Taxes (in millions) | $ 293.7 | $ 297.7 | $ 302.2 | $292.8 | $294.4 |
| Total Net County Tax Rate ($ per $1,000 Equalized Value) | 5.3 | 5.3 | 5.3 | 5.0 | 4.9 |

***Levy Limits***

Section 66.0602 of the *Wisconsin Statutes* imposes a limit on property tax levies by cities, villages, towns and counties ("political subdivision"). No political subdivision is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of the percentage change in the political subdivision's January 1st equalized value due to new construction less improvements removed or zero percent. A political subdivision may also adjust the limit when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination. The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision has the ability to carry forward unused levy limit capacity for a period of up to five years under certain conditions. Under this provision[1], the maximum amount of carry forward that can be claimed as an adjustment in any given year is equal to 5% of the prior year's actual levy. Claiming the carry forward requires approval by a 2/3 majority vote of the governing body, and the amount of general obligation debt outstanding in the year the carry forward is claimed must be less than the amount of general debt outstanding in the prior year. The amount of the potentially available carry forward adjustment is determined by totaling the amount of any unclaimed carry forward percentages from each of the preceding five years' levy limit worksheets. However, since the law specifies that the first worksheet that can be considered is the one for the 2014 levy, this is a three-year look back and will not truly provide for the potential of a five year carry forward until the 2019 levy year (2020 Budget).

The 2017-2019 state budget ("2017 Wisconsin Act 59") expanded the types of personal property that are exempt from taxation. The expansion includes machinery, tools and patterns not used in manufacturing ("newly exempt personal property"). 2017 Wisconsin Act 59 also included aid (beginning in 2019) to taxing jurisdictions equal to the property taxes that would have been levied on the newly exempt personal property. The County received a personal property aid payment of $1,616,781 in 2019. In addition to providing aid to jurisdictions, the 2017 Wisconsin Act 59 also adjusted the levy limit down by the same amount as the personal property aid payment.

[1] Wisconsin Statute 66.0602 (3) (fm)

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit[1]. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621, and the amount that a county levies in that year for a countywide emergency medical system.

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

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally authorized before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy. The 2017-2019 Wisconsin State Budget removed language that allowed a political subdivision to avoid reducing its current year levy to reflect reductions on debt originally authorized before July 1, 2005 if it did not utilize the "unused levy" provision of the local levy limit statute[2].

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

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

The Obligations were authorized after July 1, 2005 therefore the levy limits do not apply to taxes levied to pay debt service on the Obligations.

***Property Tax Collections***

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

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

[1] Wisconsin Statute 66.0602 (3) (e)
[2] Wisconsin Statute 66.0602(3)(f)1.

***Other Major County Revenues***

**State Shared Revenues.** The State distributes revenues collected from State taxes to municipal and county governments. These revenues can be used at the discretion of local governments to finance local services. Sections 79.035 and 79.04 of the Wisconsin Statutes outline a formula to allocate these revenues to local government units. The allocation formula for counties was based on a number of variables including taxable property values, utility property values, population, property tax levies and certain user fees. The State has modified the state shared revenue formula so that the previous year's base, plus the utility payment, determines the budgeted amount.

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

The State changed the methodology for calculating the utility payment in 2009. Previously, the utility payments to cities and villages were computed at a rate of six mills ($6 per $1,000 of net book value), while payments to towns are computed at a rate of three mills. Payments to counties were computed at three mills if the property is located in a city or village or at six mills if the property is located in a town. Starting in 2009, municipalities and counties with power plants that became operational before January 1, 2004 receive a utility payment based on the higher of the net book value formula amount or the megawatt capacity formula amount. The utility payment component for 2018 was $4,392,699.

Shared revenue payments are made by the State with over 95% of the amount being received by November. The 2018 actual amount was approximately $27.3 million in net state shared revenues. The 2019 budget includes approximately $27.3 million in anticipated net state shared revenues.

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

Beginning in 2016 and ending with the distributions in 2035, in accordance with Section 79.035 (6) of the Wisconsin Statutes, the annual payment of State shared revenue to the County is reduced by $4,000,000. Section 79.035 (6) of the Wisconsin Statutes relates to constructing a sports and entertainment arena and related facilities and making appropriations.

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

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

The County budgeted sales tax collections, including amounts allocated to the capital improvements budget, of approximately $78.8 million for 2019.

**Milwaukee County**
**Five-Year Summary of Revenues, Expenditures, and Changes in Fund Balance – General Fund**
**For The Years Ended December 31, 2014 Through 2018**
**(in Thousands of Dollars)**

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Intergovernmental Revenue | $ 226,512 | $ 233,020 | $ 231,774 | $ 229,523 | $ 242,575 |
| Sales Taxes | 60,315 | 61,623 | 66,308 | 67,759 | 74,382 |
| Property Taxes | 284,462 | 285,494 | 289,631 | 291,370 | 294,488 |
| Vehicle Registration Fees | -- | -- | -- | -- | 1,025 |
| Investment Income | 203 | 2,012 | 2,098 | 2,404 | 5,449 |
| Charges for Services | 413,692 | 429,379 | 362,125 | 176,360 | 162,166 |
| Fines and Forfeitures | 1,680 | 1,734 | 2,089 | 2,199 | 2,653 |
| Licenses and Permits | 782 | 885 | 968 | 1,017 | 1,087 |
| Other | 30,581 | 27,825 | 20,197 | 25,446 | 20,486 |
| Total Revenues | 1,018,227 | 1,041,972 | 975,190 | 796,078 | 804,311 |
| **Expenditures:** | | | | | |
| Legislative, Executive and Staff | 17,995 | 25,093 | 28,233 | 32,180 | 19,227 |
| Courts and Judiciary | 51,435 | 54,749 | 58,324 | 56,624 | 57,004 |
| General Governmental Services | 13,261 | 12,996 | 13,247 | 11,982 | 11,797 |
| Public Safety | 144,219 | 152,835 | 163,549 | 164,875 | 160,726 |
| Public Works and Highways | 53,865 | 47,433 | 57,126 | 68,184 | 55,188 |
| Human Services | 552,743 | 567,259 | 496,584 | 306,220 | 326,549 |
| Parks, Recreation and Culture | 63,609 | 70,570 | 68,798 | 71,796 | 67,631 |
| Total Expenditures | 897,127 | 930,935 | 885,861 | 711,861 | 698,122 |
| **Excess of Revenues Over Expenditures** | 121,100 | 111,037 | 89,329 | 84,217 | 106,189 |
| **Other Financing Sources (Uses):** | | | | | |
| Proceeds from Capital Leases | 324 | 93 | -- | -- | -- |
| Proceeds from Sale of Capital Assets | -- | -- | 1,741 | 440 | 291 |
| Transfers In | 19,140 | 39,484 | 66,718 | 4,803 | 6,697 |
| Transfers Out | (134,333) | (143,729) | (154,601) | (89,476) | (117,009) |
| Total Other Financing Uses | (114,869) | (104,152) | (86,142) | (84,233) | (110,021) |
| **Special Item:** | | | | | |
| Separation of Family Care | -- | -- | (24,722) | -- | -- |
| Total Special Items | -- | -- | (24,722) | -- | -- |
| Net Change in Fund Balance | 6,231 | 6,885 | (21,535) | (16) | (3,832) |
| **Fund Balance - January 1:** | 75,062 | 81,293 | 88,178 | 66,643 | 66,627 |
| **Fund Balance - December 31:** | $ 81,293 | $ 88,178 | $ 66,643 | $ 66,627 | $ 62,795 |

Source: Derived from Milwaukee County Comprehensive Annual Financial Reports, 2014 - 2018

**Milwaukee County**
**Five-Year Summary of Revenues, Expenses and Changes in Net Position – All Proprietary Funds**
**For The Years Ended December 31, 2014 Through 2018**
**(in Thousands of Dollars)**

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|
| **Operating Revenues:** | | | | | |
| Charges for Services | $ 155,046 | $ 155,409 | $ 156,763 | $ 155,159 | $128,748 |
| Other | 4,486 | 6,578 | 4,786 | 3,921 | 4,689 |
| Total Operating Revenues | 159,532 | 161,987 | 161,549 | 159,080 | 133,437 |
| **Operating Expenses:** | | | | | |
| Personnel Services | 138,922 | 132,883 | 145,429 | 141,674 | 125,191 |
| Contractual Services | 50,503 | 53,851 | 51,813 | 51,854 | 52,888 |
| Intra-County Services | 12,320 | 12,585 | 13,817 | 12,833 | 12,112 |
| Commodities | 23,764 | 22,497 | 20,576 | 18,507 | 19,671 |
| Depreciation and Amortization | 43,169 | 40,319 | 44,368 | 49,769 | 42,607 |
| Maintenance | 1,090 | 1,394 | 913 | 1,426 | 972 |
| Insurance | 11,325 | 8,952 | 10,245 | 12,428 | 10,332 |
| Other | 1,203 | 4,265 | 2,217 | 3,647 | 4,391 |
| Client Payments | 1,302 | -- | -- | -- | -- |
| Total Operating Expenses | 283,598 | 276,746 | 289,378 | 292,138 | 268,164 |
| **Operating Income (Loss):** | (124,066) | (114,759) | (127,829) | (133,058) | (134,727) |
| **Nonoperating Revenues (Expenses):** | | | | | |
| Intergovernmental Revenues | 92,932 | 88,563 | 94,828 | 90,097 | 92,776 |
| Vehicle Registration Fee | -- | -- | -- | 12,229 | 15,822 |
| Gain (Loss) on Sale of Capital Assets | -- | -- | -- | (8) | 63 |
| Other Nonoperating Revenues (Expenses) | -- | 214 | (7,285) | 2,008 | 4,944 |
| Net Interest Expense | (11,542) | (11,154) | (10,622) | (8,820) | (7,110) |
| Total Nonoperating Revenues | 81,390 | 77,623 | 76,921 | 95,506 | 106,495 |
| Income (Loss) Before Contributions and Transfers | (42,676) | (37,136) | (50,908) | (37,552) | (28,232) |
| Net Capital Contributions | 72,905 | 39,409 | 12,127 | 17,892 | 6,058 |
| Net Operating Transfers From Other Funds | 41,503 | 42,272 | 52,809 | 24,511 | 41,455 |
| Net Operating Transfers Out | (17,311) | (22,397) | (30,841) | (1,870) | (6,281) |
| **Change in Net Position:** | 54,421 | 22,148 | (16,813) | 2,981 | 13,000 |
| **Net Position - January 1:** | 332,715 | 296,771* | 318,919 | 302,106 | (17,598)** |
| **Net Position - December 31:** | $ 387,136 | $ 318,919 | $ 302,106 | $ 305,087 | (4,598) |

* Restated as a result of the implementation of GASB Statement No. 68.

** Restated as a result of the implementation of GASB Statement No. 75. See Note 9 in the County's 2018 CAFR for additional details.

Source: Derived from Milwaukee County Comprehensive Annual Financial Reports, 2014 - 2018

**Milwaukee County**
**2018 and 2019 Adopted Budgets**

| | 2018 Adopted Budget | 2019 Adopted Budget |
|---|---|---|
| **Expenditures** | | |
| Legislative & Executive | $ 2,145,713 | $ 2,428,538 |
| Administration | 73,950,602 | 74,401,993 |
| Courts & Judiciary | 51,343,517 | 53,162,409 |
| Public Safety | 111,129,383 | 115,231,410 |
| General Government | 8,270,443 | 8,264,479 |
| Transportation and Public Works | 243,394,402 | 251,737,677 |
| Health & Human Services | 332,980,235 | 350,211,985 |
| Parks, Recreation & Culture | 58,289,155 | 60,947,971 |
| Debt Service | 48,532,388 | 48,295,160 |
| County-Wide Non-Departmentals | 125,431,147 | 98,113,317 |
| Capital Improvements | 92,405,093 | 124,444,736 |
| Trust Funds | 1,089,408 | 1,337,999 |
| **Total Expenditures** | **$ 1,148,961,486** | **$ 1,188,577,674** |
| | | |
| **Revenues** | | |
| Operating | | |
| Sales Tax | $ 70,881,788 | $ 68,014,546 |
| Bond Proceeds | -- | -- |
| Other Direct Revenue | 358,783,301 | 363,765,364 |
| State Shared Revenue | 27,259,289 | 27,281,194 |
| Remaining State Revenue | 242,478,023 | 243,137,586 |
| Total Federal Revenue | 59,575,663 | 62,865,789 |
| Indirect Revenue | -- | -- |
| Prior Year Surplus (Deficit) | 5,000,000 | 4,798,000 |
| **Operating Revenue Subtotal** | **$ 763,978,064** | **$ 769,862,479** |
| | | |
| Capital Improvement | | |
| Sales Tax | $ 4,844,618 | $ 10,781,492 |
| Bond Proceeds | 39,642,309 | 43,619,074 |
| Other Direct Revenue | 32,121,253 | 38,941,053 |
| Remaining State Revenue | 2,462,554 | 2,825,601 |
| Total Federal Revenue | 13,084,359 | 28,152,516 |
| **Capital Improvement Revenue Subtotal** | **$ 92,155,093** | **$ 124,319,736** |
| | | |
| **Property Tax Levy** | **$ 292,828,329** | **$ 294,395,459** |
| | | |
| **Total Revenues** | **$ 1,148,961,486** | **$ 1,188,577,674** |

Source: County's Adopted Budgets, 2018 - 2019

# APPENDIX A

## ANNUAL FINANCIAL STATEMENTS

The County is audited annually by an independent public accounting firm. This appendix presents the County's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018.

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# COUNTY OF
# MILWAUKEE, WISCONSIN

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## County of Milwaukee
## Milwaukee, Wisconsin

## As of and For the Year Ended December 31, 2018

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

www.county.milwaukee.gov

# COUNTY OF MILWAUKEE, WISCONSIN

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# COUNTY OF MILWAUKEE, WISCONSIN

## INTRODUCTORY SECTION
**(Unaudited)**

- **Letter of Transmittal**
- **GFOA Certificate of Achievement for Excellence in Financial Reporting for 2017**
- **Organizational Chart**
- **List of Principal Officials and Committees**

Office of the Comptroller

Milwaukee County

Scott B. Manske • Comptroller

July 31, 2019

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

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

### CAFR Overview

The Comprehensive Annual Financial Report ("CAFR") of Milwaukee County, Wisconsin ("County") for the year ended December 31, 2018, is hereby submitted for your information. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of Milwaukee County, Wisconsin. All disclosures necessary to enable the reader to gain an understanding of Milwaukee County, Wisconsin, activities have been included.

The CAFR is presented in three sections:

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

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

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

1) **Management's Discussion and Analysis ("MD&A"),** which is unaudited, is a narrative report providing financial information about the County. Readers of this report are encouraged to read the MD&A in conjunction with this Letter of Transmittal. The MD&A provides basic financial information about the County and an overview of the County's activities.

2) **Basic Financial Statements**

- **Government-wide Financial Statements** consisting of a statement of net position and a statement of activities, provide a comprehensive financial picture of the County, split between governmental activities and business-type activities. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting, where all assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues and expenses of the County are reported. Internal service funds are combined with governmental activities for presentation purposes.

- **Fund Financial Statements** report on the major individual governmental, proprietary and fiduciary funds of the County. Budgetary comparisons are also provided to allow the reader to see the original adopted budget, the final budget and the actual expenditures and revenues for the County's general fund. The governmental funds are prepared and presented on the modified accrual basis of accounting. The proprietary funds are prepared on an accrual basis of accounting. With the governmental funds having a different basis of accounting between the government-wide financial statements and the fund financial statements, a schedule is provided that reconciles these accounting differences. The reconciliation provides a bridge between governmental activities on the statement of net position with the governmental funds on the balance sheet and between the governmental funds net change in fund balances on the statement of activities with the governmental funds statement of revenues, expenditures and changes in fund balances. The proprietary funds statement reports on each of the enterprise funds and includes a separate column that combines all internal service funds.

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

  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, or if the County's financial statements would be incomplete or misleading if an entity was excluded, be reported with Milwaukee County.

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

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

4) **Combining and Individual Fund Statements and Schedules** show the combining statements for the non-major governmental funds, the internal service funds, as well as budgetary comparisons for major funds other than the General Fund. As noted earlier,

the internal service funds are combined and reported as a separate column in the proprietary fund financial statements. They are presented here because they are not considered to be major funds.

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

## B) COUNTY GOVERNMENT

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

**Board of Supervisors.** The County Board determines County policy and directs the activities of County government by the adoption of ordinances and resolutions, under authority vested in it by State Statutes. The County Board meets on a monthly basis to transact official business, and its committees meet regularly during the monthly cycles to hold hearings, gather information and take testimony preparatory to making recommendations to the full County Board. There are nine standing committees of the County Board.

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

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

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

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

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

- Child Support Services
- Veterans Service Office
- House of Correction
- Zoological Gardens

- Aging
- Government Affairs
- Office on African American Affairs
- Medical Examiner
- Emergency Management
- Behavioral Health Division

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

The Office of **Government Affairs** represents the interests of Milwaukee County before local, State, and Federal governments, builds relationships and partnerships, and identifies efficiencies across jurisdictions.

The **Veterans Service Office** helps veterans apply for benefits and serves as an advocate for veterans.

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

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

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

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

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

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

The **Personnel Review Board** provides fair and impartial due process hearings for the suspension, demotion or discharge of County employees in the classified service as provided by law and as prescribed under State Statutes and County ordinances.

The **Office on African American Affairs** aims to help recognize and resolve the County's racial inequities for the benefit of all of its citizenry and for the region to achieve its full potential.

The **former Department of Family Care** ("DFC") separated from Milwaukee County in 2016 and now provides services as a private non-profit named My Choice Family Care ("MCFC"). Employees who had worked in the DFC were allowed to remain as County employees if they chose to work with My Choice Family Care. MCFC reimburses the County for all costs related to those employees who chose to remain as County employees while working at MCFC. The County created two organizations within the Department of Administrative Services to account for the expenses and revenues associated with this arrangement. As of December 31, 2017, the remaining County employees became employees of MCFC. For 2018, only minor costs were incurred relating to DFC.

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

The **County Treasurer** is the County's banker, acting under the authority granted by State Statutes and County ordinances. The Treasurer's functions include receiving and disbursing all funds as provided, providing for daily cash requirements of Milwaukee County and investing public funds not used for daily operations. The Treasurer's Office also collects delinquent property taxes for all of Milwaukee County's municipalities as required by State Statutes, except for the City of Milwaukee which collects its own delinquent taxes. The County Treasurer also maintains property tax data that is accessible to the public at the Courthouse office.

The **County Clerk** is the recorder of the County, acting under the authority granted by State Statutes and County ordinances. The Clerk's functions include recording the proceedings of the County Board of Supervisors, staffing all County Board meetings and County Board committee meetings, maintaining all legislative files, updating existing ordinances and publishing new ordinances. The Clerk also maintains the County Legislative Information Center ("CLIC"), which provides online public access to legislative documents, meeting agendas and meeting minutes, as well as live online streaming of meetings of the County Board and its committees. Other duties include issuing marriage

licenses and domestic partnership terminations, registering lobbyists and lobbying principals and reporting on their activity, accepting applications for passports and selling bus tickets and Wisconsin Department of Natural Resources ("DNR") licenses and permits. As an information clearinghouse for County government, the County Clerk administers oaths of office, maintains the central files for Milwaukee County reports, records, contracts and corporate documents, receives and publicly opens competitive bids for County contracts and receives all claims filed against Milwaukee County.

The Clerk also serves as the executive director of the Milwaukee County Election Commission. The Election Commission administers Federal, State, County and Municipal elections in a manner that assures public confidence in the accuracy, efficiency and fairness of the election process and to enforce State Election and Campaign Finance laws.

The **Register of Deeds** is tasked with maintaining public records and documents acting under the authority granted by State Statutes and County ordinances. The Register of Deeds records, indexes and scans real estate documents, corporation papers, military discharges, informal probate instruments and financing statements; files and indexes birth, marriage and death certificates; sells copies of the above described documents; collects the real estate transfer tax; and performs such other functions as provided by law.

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

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

The **Department of Combined Court Related Operations** operates the Milwaukee County Circuit Courts. The Chief Judge is the Administrative Chief of the First Judicial Administrative District, which is solely comprised of Milwaukee County, and is responsible for the oversight of administration of judicial activities in the 47 Circuit Court branches within the District. The ***Administration Division***, under direction of the Clerk of Circuit Court/Court Services Director, plans, directs and coordinates the operations of all the divisions of the Circuit Court. The ***Criminal Division*** hears, tries and determines all matters for pretrial, trial and post-conviction proceedings in felony, misdemeanor and traffic matters. The ***Children's Court Division*** exercises jurisdiction over matters involving persons under the age of 18 regarding delinquency, dependency, neglect, guardianships, detention and termination of parental rights. The ***Civil Court Division*** adjudicates small claims, large claims, replevin, and eviction actions. The ***Family Court*** area hears all actions affecting family. The ***Probate Division*** manages and maintains all documents deposited for safekeeping or filed for probate and assists the courts assigned probate jurisdiction in adjudicating matters involving probate, trusts, guardianships of persons and estates, conservatorship, protective placements, involuntary commitments, temporary restraining orders and injunctions in individuals at risk cases. The ***Family Drug Treatment Grant Division*** is responsible for drug treatment grant oversight. The

***Permanency Plan Review Division*** provides children in out-of-home situations with a review every six months by the court. The ***Self Help Services/Milwaukee Justice Center (MJC)*** is a volunteer-based community service project founded on the premise that everyone deserves meaningful access to the justice system, regardless of economic situation or access to legal services.

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

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

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

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

The **House of Correction** receives and maintains custody of all sentenced inmates in Milwaukee County committed by authorized courts for periods not exceeding one year and from other jurisdictions as authorized by County ordinance; provides programs of work release, rehabilitation, education, work, recreation and training; provides medical, dental

and other necessary services in conjunction with the Detention Services Bureau of the Sheriff's Department; and releases inmates upon expiration of sentence, upon orders of the courts or other recognized authorities. Section 302.315 of the Wisconsin Statutes permits the House of Correction to receive and maintain custody of pretrial inmates at the request of the Milwaukee County Sheriff. The Department operates a program of home detention using electronic surveillance equipment and other systems of control and oversees the Day Reporting Center where sentenced inmates can obtain job training and AODA services.

The **District Attorney's Office**, pursuant to Section 978.05 of the Wisconsin Statutes, has jurisdiction for criminal and juvenile cases in Milwaukee County Circuit Courts. District attorneys and assistant district attorneys present evidence, argue motions, negotiate cases and conduct jury and court trials. ***General Crimes Division*** staff are responsible for general felony and misdemeanor courts. The Community Prosecution Unit supervises community prosecutors in six Milwaukee police district stations and the Cities of South Milwaukee and West Allis; and the Domestic Violence Unit prosecutes all domestic violence cases in three specialized courts. ***Administrative and Investigations Divisions*** staff supervise investigators of witness intimidation, police shootings of civilians and deaths in custody, public corruption and major multi-jurisdictional crimes. ***Violent Crimes and Sensitive Crimes Divisions*** staff are responsible for felony drug and firearms crimes in specialized felony courts, homicide, sexual assault and child abuse cases in specialized felony courts, and sensitive victim witness services. ***Juvenile Division*** staff are responsible for juvenile delinquency and child welfare care in the Children's Court of Milwaukee County. The Technology Division manages information systems. The Victim/Witness Division assists crime victims and witnesses. Additionally, the State reimburses the County for some employees who receive County benefits or participate in the County pension system.

The District Attorney's Office also investigates industrial deaths and injuries, provides post-charging investigation on major crimes and maintains office security. The District Attorney's Office also works with the Diversion and Treatment Alternatives Program and administers federal and state grant funded programs including the Victim/Witness Program, the Victims of Crime Act, the Byrne Justice Assistance Grant, Violence Against Women Acts and the High Intensity Drug Trafficking Area grant, among others.

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

The **Medical Examiner's Office** investigates all deaths in which there are unexplained, unusual or suspicious circumstances, for example, homicides, suicides, accidental deaths and all deaths in which there is no physician in attendance. Staff of the Medical Examiner's Office perform autopsies, histological studies and toxicological analyses; testify in court in regard to all investigative findings; issue death certificates, cremation permits and disinterment permits; take possession of, store and arrange for the final disposition of bodies when investigation is required or bodies are unclaimed; locate

relatives of deceased persons; safeguard and legally dispose of money and property of deceased persons; and render scientific aid to various law enforcement agencies in the examination of evidence.

**Transportation.** The Department of Transportation includes a Director's Office and administers two County airports, the transit/paratransit system, highway maintenance, and fleet management.

The **Director's Office** provides administration, multimodal and transit planning and grant management.

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

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

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

The **Fleet Management Division** purchases and maintains vehicles and equipment used by Milwaukee County departments. This department provides three functions: Equipment Repairs, Inventory Management, and Equipment Coordination. Equipment Repairs maintains and manages approximately 1,900 vehicles and pieces of equipment. Inventory Management maintains and manages inventory of repair parts for all Milwaukee County vehicles. Inventory Management also manages and operates four conveniently located fueling sites supplying 800,000 plus gallons of fuel annually. Equipment Coordination researches and develops the specifications for purchasing new vehicles and equipment and works with user departments to ensure the correct piece of equipment is purchased. Equipment Coordination also hosts and coordinates a semi-annual public auction of used equipment for Milwaukee County and other municipalities in the area.

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

The **Department of Health and Human Services ("DHHS")** provides a wide range of services to children and adults through age 60. Many DHHS services are mandated by State Statute and/or provided through a contract between the state and the County. The ***Delinquency and Court Services Division ("DCSD")*** provides custodial intake services, administers a wide continuum of juvenile justice programs and provides support staff for the operation of the Children's Court to promote public safety. The division operates a 24/7, 120-bed secure juvenile detention center facility, primarily housing youth pending a court hearing or those deemed out of compliance with supervision conditions. The

Aftercare program provides intensive monitoring, supervision, structure, support and skill building opportunities for youth released from Wisconsin's Department of Corrections-Division of Juvenile Corrections. In late 2017 the County Board and County Executive authorized that the DCSD be renamed the Youth and Family Services Division. The ***Disabilities Services Division ("DSD")*** provides services to adults with special needs between the ages of 18 and 59 and to children birth to 21 with disabilities and their families. Services are targeted at populations with physical and developmental disabilities and sensory impairment. The division operates the Disabilities Resource Center and provides information and assistance, service access and prevention, disability benefits counseling and Family Care entitlement benefits enrollment. DSD also manages the Interim Disability Assistance Program and the General Assistance burials programs. The ***Housing Division*** administers Housing and Urban Development funded programs, including the Housing First Permanent Housing Project (formerly the Safe Haven program), Housing Choice Voucher, the Community Development Block Grant program and HOME/Home Repair. The division also provides outreach and supportive housing. The ***Director's Office & Management Services Division*** provide administrative guidance, accounting support and contract oversight. This division also oversees the Home Energy Program and 211 Impact, which is a referral service for individuals in need of social services.

The **Behavioral Health Division ("BHD")** provides care and treatment of persons with disorders related to alcohol and substance abuse as well as developmentally, emotionally and mentally ill adults, children and adolescents under direction from the Milwaukee County Mental Health Board ("MCMHB"). The MCMHB is a 13–member board, with 11 voting members appointed by the County Executive with input from the Milwaukee County Board and other organizations as defined in State Statute, as well as two non-voting members. The range of services provided by the BHD encompass inpatient care, outpatient care and day treatment. Acute hospital admissions are initiated by voluntary application or through legal detention methods such as court commitment. Extended care services are provided at federally certified, skilled nursing facilities and at facilities for the developmentally disabled. Day treatment is offered to patients who have progressed to the stage where inpatient hospitalization is no longer indicated but who require more intensive treatment than is available in an outpatient facility. The Community Services Branch provides both mental health and alcohol and other drug abuse services through contracts with community service providers or at community clinics. Over the past several years, the BHD has completely phased out its extended care services and moved long-term care patients into community settings.

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

The **Department on Aging** administers aging programs and serves as the County's designated area agency on aging. Services provided by the Department on Aging are designed to provide an appropriate mix of community-based care and direct services to

prevent the inappropriate and costly institutionalization of older adults. The ***Administration Division*** provides administrative guidance, accounting support and contract oversight. ***Area Agency Services*** provides a network of support services to the aging population and provides a range of grants to community based agencies to provide specialized programming for elderly adults. The **Senior Meal Program** provides nutritious lunches at community dining sites and home delivered meals. The **Senior Centers** provide social and recreational activities including exercise, computers with internet access and special events. The ***Aging Resource Center*** serves as an information clearinghouse, provides eligibility assessments for persons seeking assistance in any Aging program and acts as a point of entry for all publicly funded long term care programs. The Resource Center also acts as the elder abuse/protective services agency for people age 60 and greater in Milwaukee County and provides evidence based wellness and prevention programs.

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

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

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

The **Zoological Department** operates the Milwaukee County Zoo ("Zoo"), one of the country's finest zoological attractions with more than 400 species and over 3,100 mammals, birds, fish, amphibians and reptiles. Spanning a couple hundred wooded acres and approximately 545,000 square feet of facilities, specialized habitats and exhibits at the Zoo include the Family Farm, a working farm and dairy complex; the Peck Welcome Center; the Sea Lion and Polar Bear exhibits; the Aviary; the Small Mammals Building; the Florence Mila Borchert Big Cat Country exhibit; the Apes of Africa exhibit and Primate Building; the Education Center; the Lake Evinrude Deck; the Aquatic & Reptile Center;

and the Special Exhibits Building. The Zoo opened a new Otter Exhibit in 2018 and continued constructing a new Elephant Exhibit. Other Zoo facilities include a sky safari, a railroad, a carousel, a zoomobile, ropes course, zip line, Birds of Prey show and the Oceans of Fun Seal and Sea Lion show. More than 1.1 million people visited the Zoo in 2018.

The **Marcus Center for the Performing Arts** ("Marcus Center") is a cultural center that hosts the Milwaukee Symphony Orchestra, Milwaukee Ballet Company, Florentine Opera, Milwaukee Youth Symphony, First Stage Milwaukee and other special arts groups and entertainment events. The County's annual operating contribution to the Marcus Center for 2018 is $0.85 million.

The **Milwaukee Public Museum, Inc.,** ("MPM") operates through a public-private partnership since 1992. The private, not-for-profit organization MPM, Inc., operates the museum, and the County owns the buildings and artifacts. The board of directors of MPM includes representatives appointed by the County Board and the County Executive. A 2013 Lease and Management Agreement established the County's annual operating contribution to the MPM for 2018 at a base of $3.35 million, with the opportunity to reach $3.5 million if the MPM meets a cash and donor commitment goal. Near the end of 2018, the County Board and County Executive authorized amending that Agreement to establish a $3.5 million contribution in 2018.

MPM hosts international exhibitions annually and receives nearly a half million visitors to its exhibitions and Daniel M. Soref Theater and Planetarium each year. Through its MPM on the Move traveling museum program, the museum's educators provide hands-on learning opportunities to students throughout Wisconsin.

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

The **Airport Division** of the Department of Transportation operates General Mitchell International Airport ("GMIA") and Lawrence J. Timmerman Airport ("LJT"). ***GMIA*** is located six miles south of the City of Milwaukee's central business district and covers nearly 2,400 acres. GMIA is the largest and busiest airport in Wisconsin, serving nearly 7.1 million passengers in 2018. GMIA offers non-stop flights to more than 39 cities and one-stop connections to 160 cities worldwide. ***LJT*** is located in the northwest quadrant of the County. This 420-acre general aviation facility serves privately owned aircraft and provides pilot training through its flight school. Operating expenses of both airports are entirely supported by user fees. No property tax dollars are used for capital improvements or for day-to-day operations.

The **Milwaukee County Transit System** ("MCTS") is the County's mass transit system and is operated by the Department of Transportation through a transit management services provider - Milwaukee Transport Services. MCTS has an active bus fleet of approximately 400 diesel buses, serves over 5,000 bus stops and operates 59 routes, including Freeway Flyer service from outlying park-ride lots, and limited stop Metro Express service which travels through the heart of the city to major destinations across the County. MCTS provides on average 100,000 rides per day to people across Milwaukee

County with some access to Ozaukee, Washington and Waukesha Counties. Budgeted fare revenue, Vehicle Registration Fee revenue and federal and state aid account for approximately 95 percent of operating costs. MCTS also has a paratransit program for persons with disabilities.

## C) COMMUNITY CHARACTERISTICS

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

Today, Milwaukee County is, by population, the largest county in the State of Wisconsin. The Census Bureau estimates that Milwaukee County is the 53rd most populous in the United States with approximately 950,000 residents. Milwaukee County is the only fully incorporated county in Wisconsin and includes 19 municipalities that range from the large urban center in the City of Milwaukee with nearly 600,000 residents to small villages such as River Hills with a population of under 2,000. The County anchors the Greater Milwaukee Metropolitan Area, which has a population of more than 2 million and includes seven neighboring counties: Racine, Walworth, Waukesha, Jefferson, Dodge, Washington and Ozaukee.

Milwaukee County's location on Lake Michigan, near the nation's geographic center and in close proximity to the Chicago metropolitan area, provides many logistical advantages. The County has a well-developed arterial street and highway system, including four interstate highways, three major U.S. highways and fifteen state highways. Major reconstruction on I-94 from Milwaukee to Illinois, began in 2009 and is scheduled for completion in 2022.

Freight service is provided to other metropolitan areas by numerous trucking establishments and two major railroads, the Union Pacific and Canadian Pacific. Passenger rail service is available from Amtrak and national and inter-city bus lines serve Milwaukee County. Milwaukee is also a major Great Lakes port. The commodities handled at the Port directly impact the long-term economic success and growth of the State of Wisconsin on a yearly basis. Salt, cement products, coal, grain, machinery, steel, oils and liquid fuels pass through the Port. The Port accommodated approximately 2.4 million metric tons of cargo in 2018. The Foreign-Trade Zone Board designated the Port of Milwaukee as the Grantee for the Southeastern Wisconsin Foreign Trade Zone No. 41 which comprises 12 counties. The Port berths the high-speed passenger and auto ferry that connects Milwaukee with Muskegon, Michigan. The Lake Express ferry contributes not only to tourism but adds another form of transportation for Milwaukee County residents.

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

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

**Population Statistics**

| Year | Population |
|---|---|
| 2015 | 957,735 |
| 2010 | 947,735 |
| 2000 | 940,164 |
| 1990 | 959,275 |
| 1980 | 964,988 |
| 1970 | 1,054,249 |

The County's labor force has remained relatively constant as well, while unemployment has decreased by 3.3 percent from 2014 to 2018. According to the State of Wisconsin Department of Workforce Development, unemployment in Milwaukee County has decreased from 6.9 percent in 2014 to 3.6 percent in 2018. During that same time period, the total labor force decreased by more than 5,889 persons. The Labor Force Statistics table below provides the average annual estimates over the past five years.

**Labor Force Statistics for Milwaukee County (Not Seasonally Adjusted)**

| | | | | Unemployment Rate | |
|---|---|---|---|---|---|
| Year | Labor Force | Employment | Unemployment | Milwaukee County | State of Wisconsin |
| 2018 | 472,701 | 455,544 | 17,157 | 3.6% | 3.0% |
| 2017 | 478,333 | 458,982 | 19,351 | 4.0% | 3.3% |
| 2016 | 478,435 | 454,700 | 23,735 | 5.0% | 4.0% |
| 2015 | 477,410 | 449,974 | 27,436 | 5.7% | 4.6% |
| 2014 | 478,784 | 445,882 | 32,902 | 6.9% | 5.4% |

Source: Wisconsin Department of Workforce Development

According to the Milwaukee Metropolitan Association of Commerce (MMAC) Business Outlook Survey, Third Quarter, 2019, 77% of area businesses surveyed expected sales increases in 2019's third quarter, 69% forecast profit gains, and 57% predict employment growth over year-ago levels.

According to the MMAC, "The job situation in the metro area has been marked by low unemployment rates and modest overall job gains. Metro Milwaukee's unemployment rate is at historic lows with May's 2.9% rate ranking as the lowest May rate on record (1990 to present)."

MMAC goes on to note that "A majority of surveyed businesses see gains in future employment levels. Fifty-seven percent project third-quarter job increases in their local operations. Those projecting third-quarter job increases outnumber those forecasting declines by a healthy margin (57% vs. 6% respectively), while 37% see no change in future job levels."

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

**Per Capita Personal Income**

| Year | Milwaukee County | State of Wisconsin | United States |
|---|---|---|---|
| 2017 | $45,099 | $48,941 | $51,640 |
| 2016 | 43,621 | 47,426 | 49,831 |
| 2015 | 43,291 | 46,571 | 48,940 |
| 2014 | 41,981 | 44,785 | 47,025 |
| 2013 | 40,633 | 43,079 | 44,826 |

## D) FINANCIAL MANAGEMENT

**Budgeting.** The County has an executive budget process for the preparation of the annual operating and capital budgets. The Office of Performance, Strategy and Budget (PSB) of the Department of Administrative Services provides the technical assistance required by the County Executive to review budget requests submitted by County departments and agencies. PSB compiles these requests, along with principal and interest requirements, capital improvements, contingency requirements and the required tax levy. It reviews areas where changes may be considered and transmits its findings to the County Executive. The County Executive holds public hearings with respect to the requests, meets with departments and submits a recommended budget to the County Board on or before October 1st of each year. Subsequent to the receipt of the budget from the County Executive, the County Board's Committee on Finance and Audit reviews the County Executive's budget at public meetings. On the Monday following its regularly scheduled meeting on the first Thursday in November, the County Board acts on the amendments and recommendations submitted by the Committee on Finance and Audit, as well as amendments submitted by individual supervisors. The County Board adopts a final budget, subject to any vetoes by the County Executive, and levies taxes based upon equalized property values.

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

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

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

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

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

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

Additionally, the Audit Services Division contracts with an independent certified public accounting firm to audit the County's comprehensive annual financial report, containing its basic financial statements, as well as its schedule of expenditures of federal and state awards. These audits are conducted in accordance with auditing standards generally accepted in the United States;

Government Auditing Standards issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance); and the provisions of the State of Wisconsin State Single Audit Guidelines.

**Debt Administration.** In 1994, the County established new policies and revised existing policies that directly and indirectly affect its borrowing practices, including development of guidelines for maximum debt burdens and maximum maturity and modifications to the procedures for accepting competitive bids.

The County Board has also adopted policies limiting the amount of corporate purpose bonds issued by the County to finance capital projects. Under this policy, corporate purpose bond issuance is limited to an increase of no more than three percent over the preceding year's adopted bond amount.

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

Wisconsin Statutes limit the County's direct general obligation borrowing to an amount equivalent to five percent of the equalized valuation of taxable property. At December 31, 2018, the County had $525.4 million of net general obligation debt outstanding, representing 16.4 percent of the $3.2 billion debt limit. The debt limit is based upon equalized value of County property of $64.1 billion.

Approximately 87.9 percent of the County's general-obligation debt will be retired within ten years. The County's general-purpose obligations do not include revenue bonds issued by the County with respect to the airports. For 2018, total debt of the County, which includes general purpose and Airport revenue bond obligations, was $743.3 million. As of December 31, 2018, approximately $170.1 million or 22.8 percent of the County's outstanding general purpose and revenue debt is for the Airports. Pursuant to the lease agreements with the airlines, signatory airlines are obligated to pay all principal and accrued interest payments for debt issued on behalf of the Airports.

Milwaukee County's ratings from Moody's Investors Service, Standard & Poor's and Fitch Ratings, respectively, have assigned the ratings of "Aa2 /AA / AA+" to the Bonds. A rating reflects only the view of the rating agency, from whom an explanation of the significance of such rating may be obtained. The County is not obligated to maintain the current ratings on the Bonds, and there is no assurance that ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal could have an adverse effect on the market price of the Bonds. The County and the Co-Financial Advisors will undertake no responsibility to oppose any revision or withdrawal of such ratings.

| Moody's Investors Service | Standard & Poor's | Fitch IBCA |
|---|---|---|
| Aa2 | AA | AA+ |

**Investment Policy.** The County may purchase investment securities as allowed by Section 66.0603(1m) of the Wisconsin Statutes and Milwaukee County ordinance at prevailing market

rates. To the extent possible, the County attempts to match its investments with anticipated cash-flow requirements. In the absence of individual security maturity limitations specified in the Wisconsin Statutes, the County does not directly invest in securities maturing more than ten years from the date of purchase.

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

The 2018 model projected a structural deficit for the 2019 budget of $16.8 million, or $21.8 million when including the cash shortfall in the 2019 capital budget. Key assumptions contributing to the structural deficit in 2019 include funding for the ongoing cost-to-continue of current operations, including reversal of one-time expenditure abatements in the 2018 Adopted Budget, and the elimination of reserve contributions. Offsetting these increases are lower than anticipated expenditures for wages, healthcare and pension, and forecasted increases in property tax levy.

The 2019 structural deficit of $16.8 million was reasonable based on the forecasted cost-to-continue and use of one-time revenues in 2018. The County's prior year five-year forecast predicted that the County would have a structural deficit of $10.4 million for the 2019 fiscal year if the 2018 structural deficit of $31.0 million was solved with long-term solutions. The forecast further projected that if no long-term solutions were implemented, the 2019 structural deficit could reach $41.3 million. Given the one-time revenues used in 2018, as well as other unforeseen changes, the 2019 structural deficit of $16.8 million was considered reasonable.

On average, the annual structural deficit will consist of a cost-to-continue of $12.8 million due to a greater increase in expenditures than what is generated in additional revenue. Expenditures will grow on average 2.3 percent while revenues will grow on average 0.9 percent. The County can also expect an increase in the structural deficit each year in which one-time revenues or expenditure abatements were used in the prior year. In 2018, the County utilized such one-time revenues and expenditure abatements of approximately $10.4 million, which increased the 2019 structural deficit by the same amount. While a structural deficit of $16.8 million seems daunting for 2019, if the County were to resolve this structural deficit with long-term solutions, it could expect a 2020 structural deficit of roughly $10.5 million, barring any unforeseen issues. Any use of one-time revenues or expenditure abatements in the 2019 budget would worsen the structural deficit.

**Property Tax Limit (Local Levy Limit).** Section 66.0602 of the Wisconsin Statutes imposes a limit on property tax levies by cities, villages, towns and counties ("political subdivision"). No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of the percentage change in the political subdivision's January 1st equalized value due to new construction less improvements removed or zero percent). A political subdivision may also adjust the limit when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination. The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision has the ability to carry forward unused levy limit capacity for a period of up to five years under certain conditions. Under Section 66.0602 (3) (fm) of the Wisconsin Statutes, the maximum amount of carry forward that can be claimed as an adjustment in any given year is equal to 5% of the prior year's actual levy. Claiming the carry forward requires approval by a 2/3 majority vote of the political subdivision's governing body, and the amount of general obligation debt outstanding in the year the carry forward is claimed must be less than the amount of general debt outstanding in the prior year. The amount of the potentially available carry forward adjustment is determined by totaling the amount of any unclaimed carry forward percentages from each of the preceding five years' levy limit worksheets. However, since the law specifies that the first levy limit worksheet that can be considered is the one for the 2014 levy, this is a three-year look back and will not truly provide for the potential of a five year carry forward until the 2019 levy year (2020 Budget).

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621, the amount that a County levies in that year to make payments to public libraries under Section 43.12, and the amount that a County levies in that year for a countywide emergency medical system.

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

- If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally authorized before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy. The 2017-2019 Wisconsin State Budget removed language that allowed a political subdivision to avoid reducing its current year levy to reflect reductions on debt originally authorized before July 1, 2005, if it did not utilize the "unused levy" provision of the local levy limit statute.

- For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. The County has no outstanding issues that were authorized prior to July 1, 2005.

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

## E) OTHER INFORMATION

### Independent Audit

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

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

The audit is performed to provide reasonable assurance that the financial statements are free of material misstatement. The audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit, that there is a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended December 31, 2018, are fairly presented in conformity with Generally Accepted Accounting Principles. The independent auditors' report is presented as the first component of the financial section of the CAFR.

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

### Certificate of Achievement

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report ("CAFR") for the year ended December 31, 2017. This is the 39th (December 31, 1979, through December 31, 2017) consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

### Acknowledgements

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

## Letter of Transmittal

Respectfully submitted,

Scott B. Manske
Milwaukee County Comptroller

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**County of Milwaukee**

**Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

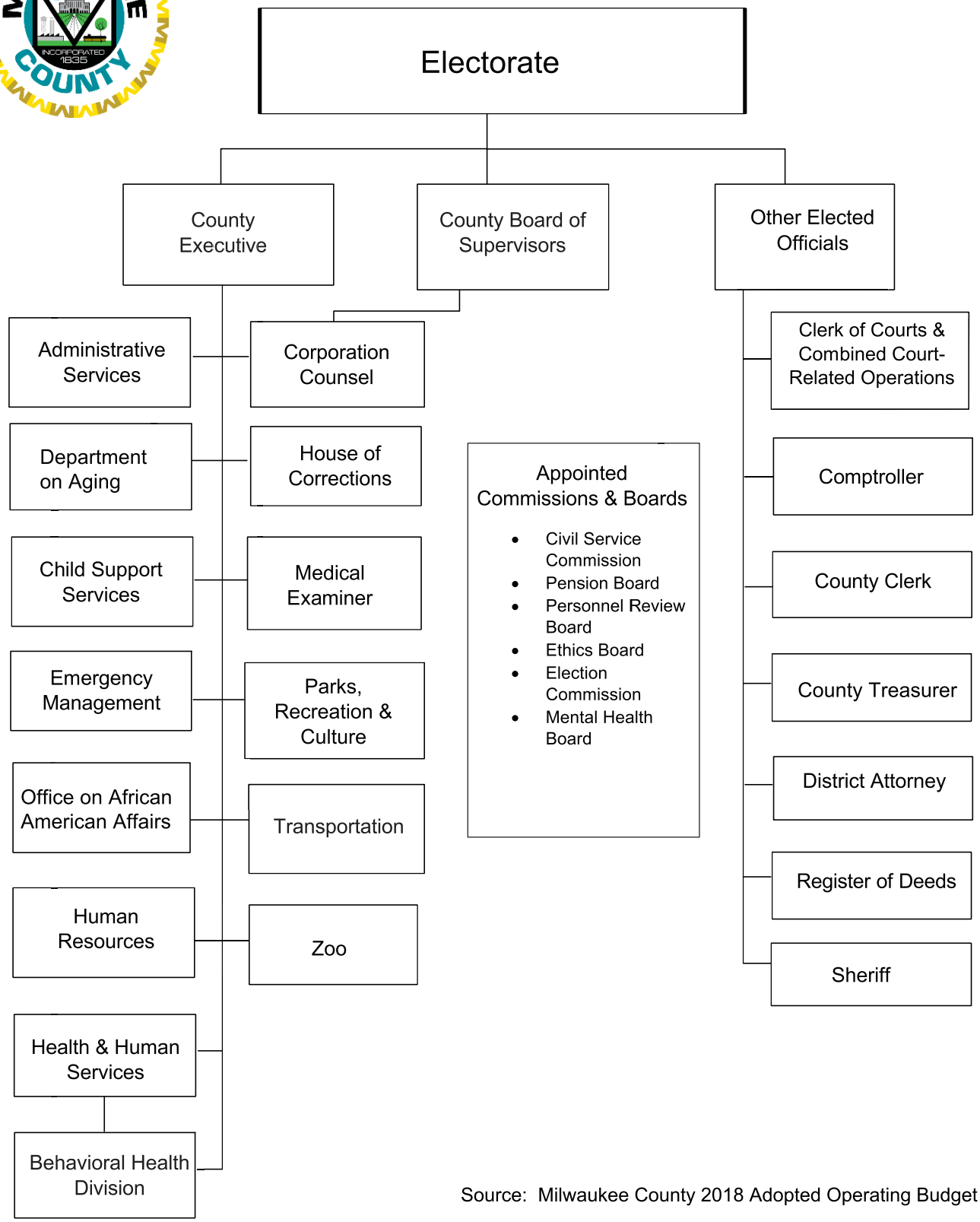
**December 31, 2017**

Christopher P. Morrill

Executive Director/CEO

# COUNTY OF MILWAUKEE, WISCONSIN

## Organizational Chart




Source: Milwaukee County 2018 Adopted Operating Budget

# COUNTY OF MILWAUKEE, WISCONSIN

## List of Principal Officials and Committees
**December 31, 2018**

### ELECTED

County Executive ..... Chris Abele
Clerk of Circuit Court/Register in Probate..... John Barrett
Comptroller..... Scott B. Manske
County Clerk ..... George L. Christenson
County Treasurer ..... David Cullen
District Attorney..... John T. Chisholm
Register of Deeds ..... John La Fave
Sheriff (Acting)..... Richard R. Schmidt

### ELECTED AND APPOINTED

Chief Judge…… Maxine Aldridge White

### APPOINTEES / DEPARTMENT HEADS

| Department | Title | Name |
|---|---|---|
| Administrative Services (*) | Director | Teig Whaley-Smith |
| Aging | Director | Holly Davis |
| Child Support Services | Director | James Sullivan |
| Circuit Courts | Chief Judge | Maxine Aldridge White |
| Corporation Counsel | Corporation Counsel | Margaret Daun |
| Government Affairs | Liaison | Matt McGovern |
| Health and Human Services (*) | Director | Mary Jo Meyers |
| House of Correction | Superintendent | Michael Hafemann |
| Human Resources (*) | Chief Human Resources Officer | vacant |
| Medical Examiner | Medical Examiner | Brian L. Peterson, MD |
| Office of African American Affairs | Director | Nicole Brookshire |
| Office of Emergency Management | Director | Christine Westrich |
| Parks, Recreation, and Culture (*) | Director | Guy Smith |
| Personnel Review Board and Ethics Board | Executive Secretary/Director | Nicole Robbins |
| Transportation (*) | Director | Donna Brown-Martin |
| UW - Extension | Interim Director | Tedi Winnett |
| County Veterans Services (CVS) Office | Acting CVS Officer | Michelle Gore |
| Zoological Gardens | Director | Charles Wikenhauser |

(*) County Executive cabinet officers

# COUNTY OF MILWAUKEE, WISCONSIN

## List of Principal Officials and Committees
**December 31, 2018**

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**ELECTED**

**COUNTY BOARD OF SUPERVISORS - (By District Number)**

**1-** Theodore Lipscomb, Sr. - (Chairperson)
**2-** Sequanna Taylor
**3-** Sheldon A. Wasserman
**4-** Marina Dimitrijevic
**5-** Marcelia Nicholson
**6-** James Schmitt
**7-** Felesia A. Martin
**8-** Steven Shea
**9-** Patti Logsdon
**10-** Supreme Moore Omokunde
**11-** Dan Sebring
**12-** Sylvia Ortiz-Velez
**13-** Willie Johnson, Jr.
**14-** Jason Haas
**15-** Eddie Cullen
**16-** John F. Weishan, Jr.
**17-** Anthony Staskunas
**18-** Deanna Alexander

**COUNTY BOARD STANDING COMMITTEES**

The Board Chairperson appoints the chairperson and members of eight standing committees of the Milwaukee County Board. Each Committee is comprised of a Committee Chairperson and 5 to 7 members.

The **Economic and Community Development Committee** oversees the administration of federal, state and local housing programs in the County, including the Urban Community Development Block Grant Program. Matters pertaining to economic development of Milwaukee County, including the disposition of county properties zoned as parks, are decided by this Committee. The Committee receives information regarding the disposition of County property not zoned as park.

The **Finance and Audit Committee** reviews County budget, taxation and insurance matters. Audit reports are reviewed to ensure County departments implement program improvements and cost-saving recommendations.

The **Health and Human Needs Committee** is responsible for policies related to the Department of Health and Human Services, Children's Court Center, Department on Aging, Office for Persons with Disabilities and Veterans Service Office.

The **Intergovernmental Relations Committee** reviews proposed federal, state and local legislation affecting the County and makes recommendations determining the County's policy on these matters. On special occasions, members of the Committee appear before Congress, the State Legislature and governing bodies of other municipalities to support the County Board's policies.

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

The **Parks, Energy and Environment Committee** is responsible for all matters concerning County parks and parkways. Members set policy for the Parks Department, organized recreation, cultural activities, arts, the University Extension program, and the Zoo. Members make recommendations relating to conservation of air, water, energy and all other resources.

The **Personnel Committee** is responsible for employee relations, reclassification, compensation and conditions of employment of County personnel and officers. Members set policy for the Civil Service Commission and the County Employee Merit Award program.

The **Transportation, Public Works and Transit Committee** is responsible for the mission of the Department of Transportation, including the construction and maintenance of County highways, bridges, airports and public structures. Members discuss the policy of mass transit and the Milwaukee County Transit System, including fares, service routes and capital improvements. The Committee also discusses all matters under its jurisdiction pertaining to railroads and public utilities in the County.

Some matters coming before the County Board have a significant policy impact or a unique set of circumstances which overlap specific committee jurisdiction (for example, the closing of a major County facility). On such occasions, the **Committee of the Whole** will meet at the call of the County Board Chairperson. All 18 supervisors are members of the Committee of the Whole.

# FINANCIAL SECTION

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

bakertilly

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
County of Milwaukee
Milwaukee, Wisconsin

**Report on the Financial Statements**

We have audited the accompanying financial statements of 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, 2018, and the related notes to the financial statements, which collectively comprise the County of Milwaukee's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Milwaukee County War Memorial, Inc. and the Marcus Center for the Performing Arts, which represent 60 percent, 66 percent and 45 percent, respectively, of the assets, net position and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Milwaukee County War Memorial, Inc. and the Marcus Center for the Performing Arts, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © Baker Tilly Virchow Krause, LLP

### *Auditors' Responsibility (continued)*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the County of Milwaukee's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the County of Milwaukee's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinions*

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of 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, 2018 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

As discussed in Note 1, the County of Milwaukee adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* effective January 1, 2018. Our opinions are not modified with respect to this matter.

### *Other Matters*

*Required Supplementary Information*

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

To the Board of Supervisors
County of Milwaukee

***Other Matters (continued)***

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Milwaukee's basic financial statements. The supplementary information and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and other supplementary information are fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Milwaukee's basic financial statements. The "Introductory Section" and "Statistical Section" are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
July 31, 2019

The County of Milwaukee's management's discussion and analysis provides a narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

## FINANCIAL HIGHLIGHTS

### Highlights for Government-wide Financial Statements

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

- The County's assets and deferred outflow of resources are exceeded by its liabilities and deferred inflow of resources by $1,373,429 on a government-wide basis as of December 31, 2018. The unrestricted net position of the County is a deficit of $2,397,132.

- For the fiscal year, program and general revenues of the County's governmental activities total $849,414. Expenses total $826,036, including net transfers out of $13,438.

- For the fiscal year, revenues of the County's business-type activities total $253,918, including net transfers in of $13,438. Expenses total $247,407.

### Highlights for Fund Financial Statements

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

- The County's governmental funds report combined ending fund balances of $219,638 as of December 31, 2018 compared to $217,244 as of December 31, 2017.

- The County's enterprise funds report combined net position of $995 as of December 31, 2018, compared to $(5,516) as of December 31, 2017, as restated for GASB Statement No. 75.

- In October 2018, the County issued:

  - ◊ $46,890 of General Obligation Refunding Bonds, Series 2018A and $4,325 of Taxable General Obligation Refunding Bonds, Series 2018B to refund all of the outstanding callable maturities of the General Obligation Corporate Purpose Bonds, Series 2009C; the Taxable General Obligation Corporate Purpose Bonds, Series 2009E; and the Taxable General Obligation Corporate Purpose Bonds, Series 2010A, and $7,060 of Taxable General Obligation Refunding Bonds, Series 2018C

## FINANCIAL HIGLIGHTS (cont'd)

- ◊ to advance refund a portion of the outstanding callable maturities of the General Obligation Promissory Notes, Series 2009F; General Obligation Promissory Notes, Series 2010D; General Obligation Refunding Bonds, Series 2012A; Taxable Pension Obligation Replacement Bonds, Series 2013A; General Obligation Corporate Purpose Notes, Series 2016C; General Obligation Corporate Purpose Refunding Bonds, Series 2016E; and General Obligation Corporate Purpose Notes, Series 2017D related to Marcus Center of the Performing Arts improvements.

- In November 2018, the County issued:

  - ◊ $12,405 of General Obligation Corporate Purpose Bonds, Series 2018D to finance various capital projects,
  - ◊ $8,130 of General Obligation Promissory Notes, Series 2018E to finance various capital projects, and
  - ◊ $6,360 of Taxable General Obligation Promissory Notes, Series 2018F to finance various 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 include the government-wide financial statements, fund financial statements and notes to the financial statements, (3) required supplementary information, and (4) other supplementary information.

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

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

## OVERVIEW OF THE FINANCIAL STATEMENTS (cont'd)

### Government-wide Financial Statements

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

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

The second government-wide statement, ***the statement of activities***, presents information showing how the County's net position changed during 2018. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for not only current uses of cash flow but also for items that will result in cash flows in a future fiscal period (e.g. uncollected taxes and earned but unused paid benefits).

Both of these government-wide financial statements distinguish functions of Milwaukee County that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as "business-type activities").

The governmental activities of Milwaukee County include: Legislative, Executive and Staff; Courts and Judiciary; General Governmental Services; Public Safety; Public Works and Highways; Health and Human Services; and Parks, Recreation and Culture. The business-type activities of Milwaukee County include the Airports and the Transit System.

The government-wide financial statements include the County's governmental and business-type activities (collectively referred to as the "primary government") as well as the legally separate entities (known as "discretely presented component units") for which the County is financially accountable or would cause the County's financial statements to be incomplete or misleading if the entity was excluded. The Milwaukee Public Museum, Inc., Milwaukee County War Memorial, Inc., and Marcus Center for the Performing Arts are the County's discretely presented component units. Together, the primary government and its discretely presented component units are referred to as the reporting entity. Financial information is presented separately on each financial statement for governmental activities, business-type activities, primary government and component units.

The government-wide financial statements can be found on pages 55 - 58 of this report.

## OVERVIEW OF THE FINANCIAL STATEMENTS (cont'd)

### 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, debt service fund, and capital projects fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation called non-major governmental funds. These non-major governmental funds are all special revenue funds of the County. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in the Supplementary Information section.

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

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

## OVERVIEW OF THE FINANCIAL STATEMENTS (cont'd)

### ***Proprietary funds***

The County maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities of the Airports and the Transit System. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its Public Works services, Information Management services, and its Risk Management activities; because these services predominantly benefit governmental, rather than business-type functions, they are included with governmental activities in the government-wide financial statements.

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

The proprietary fund financial statements can be found on pages 64 - 68 of this report.

### ***Fiduciary funds***

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

The County's fiduciary funds consist of a pension trust fund and agency funds. The pension trust fund is used to account for the assets held in trust by the County for the employees and beneficiaries of its defined pension plans - the Employees' Retirement System and the OBRA Retirement System. The agency funds are used to account for monies received, held, and disbursed on behalf of the State of Wisconsin Court System, 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 69 - 70 of this report.

## OVERVIEW OF THE FINANCIAL STATEMENTS (cont'd)

### Component Units

Component Units are composed of the Milwaukee Public Museum, Inc., Milwaukee County War Memorial, Inc, and Marcus Center for the Performing Arts. 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, or if the County's financial statements would be incomplete or misleading if an entity was excluded, be reported with Milwaukee County.

The component unit financial statements can be found on pages 71 - 72 of this report.

### Notes to the Financial Statements

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

The notes can be found on pages 73 - 162 of this report.

### Required Supplementary Information

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

The required supplementary information can be found on pages 163 - 171 of this report.

### Supplementary Information

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

The supplementary information can be found on pages 172 - 190 of this report.

### Other Supplementary Information

Separate financial schedules are presented for the Behavioral Health Division Fund - Balance Sheet and Schedule of Revenues, Expenses and Changes in Net Position.

The other supplementary information can be found on pages 191 - 193 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Government-wide financial statements are provided as part of the approach mandated by the Governmental Accounting Standards Board ("GASB"). GASB sets the uniform standards for presenting government financial reports. Complete comparative information is provided in this the Management's Discussion and Analysis.

Net position may serve over time as a useful indicator of a government's financial position. In 2018, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $1,200,684 at the close of the fiscal year. The County's net position increased by $29,889 during the fiscal year, after restating net position for GASB Statement No. 75.

**COUNTY OF MILWAUKEE, WISCONSIN**
**Net Position**
**(In Thousands)**

| | Governmental Activities | | Business-type Activities | | Primary Government Total | |
|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Current and Other Assets | $ 658,793 | $ 647,012 | $ 146,635 | $ 141,149 | $ 805,428 | $ 788,161 |
| Long-Term Assets | 3,959 | 2,736 | - | 2,276 | 3,959 | 5,012 |
| Capital Assets | 655,175 | 652,565 | 516,333 | 537,022 | 1,171,508 | 1,189,587 |
| Total Assets | 1,317,927 | 1,302,313 | 662,968 | 680,447 | 1,980,895 | 1,982,760 |
| Deferred Outflow of Resources | 171,022 | 172,007 | 29,068 | 28,989 | 200,090 | 200,996 |
| Total Assets and Deferred Outflows of Resources | $ 1,488,949 | $ 1,474,320 | $ 692,036 | $ 709,436 | $ 2,180,985 | $ 2,183,756 |
| Current Liabilities | $ 189,451 | $ 181,502 | $ 64,825 | $ 57,507 | $ 254,276 | $ 239,009 |
| Long-Term Liabilities | 2,332,401 | 1,501,226 | 579,130 | 334,543 | 2,911,531 | 1,835,769 |
| Total Liabilities | 2,521,852 | 1,682,728 | 643,955 | 392,050 | 3,165,807 | 2,074,778 |
| Deferred Inflow of Resources | 341,521 | 299,079 | 47,086 | 12,533 | 388,607 | 311,612 |
| Net Position (Deficit): | | | | | | |
| Net Investment in Capital Assets | 421,954 | 406,664 | 336,651 | 347,249 | 758,605 | 753,913 |
| Restricted | 221,480 | 215,331 | 43,618 | 41,145 | 265,098 | 256,476 |
| Unrestricted (Deficit) | (2,017,858) | (1,129,482) | (379,274) | (83,541) | (2,397,132) | (1,213,023) |
| Total Net Position (Deficit) | (1,374,424) | (507,487) | 995 | 304,853 | (1,373,429) | (202,634) |
| Total Liabilities, Deferred Inflows of Resources and Net Position | $ 1,488,949 | $ 1,474,320 | $ 692,036 | $ 709,436 | $ 2,180,985 | $ 2,183,756 |

The largest portion of the County's net position reflects its net investment in capital assets (e.g. land, land improvements, buildings, vehicles, equipment and infrastructure, net of depreciation and amortization, plus any unspent capital bond funds less the outstanding debt that was used to acquire those assets). As of December 31, 2018, the net investment in capital assets is $758,605, an increase of $4,692 from the prior year. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Indirectly, the depreciation of capital assets is an expense for proprietary funds and therefore, as an expense, is available to be reimbursed through user fees of those funds.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont'd)

Restricted net position as of December 31, 2018 totals $265,098. These assets are subject to external restrictions on how they may be used, some of which include grant-related restrictions and debt service restrictions. The airport passenger facility charges ("PFC") revenue is restricted for airport bond repayment and future airport capital needs.

Unrestricted net position represents the remaining amount of net position that is neither related to capital assets nor is it restricted for specific purposes. As of December 31, 2018, the unrestricted net position balance is $(2,397,132). Unrestricted net position decreased by $1,184,109 in 2018 due to the implementation of GASB Statement No. 75.

### Statement of Activities

The following table provides the summary of the changes in net position for the primary government for the fiscal years ended December 31, 2018 and 2017.

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

| | Governmental Activities | | Business-type Activities | | Primary Government Total | |
|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| **Revenues:** | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | $ 198,888 | $ 205,924 | $ 125,020 | $ 135,027 | $ 323,908 | $ 340,951 |
| Operating Grants and Contributions | 186,691 | 182,975 | 92,468 | 89,728 | 279,159 | 272,703 |
| Capital Grants and Contributions | 9,608 | 18,585 | 5,999 | 17,881 | 15,607 | 36,466 |
| General Revenues: | | | | | | |
| Property Taxes | 294,488 | 291,370 | - | - | 294,488 | 291,370 |
| Sales Taxes | 79,226 | 74,603 | - | - | 79,226 | 74,603 |
| Other Revenue | 38,604 | 36,273 | - | - | 38,604 | 36,273 |
| Intergovernmental Revenues not Related to Specific Programs | 34,174 | 34,082 | - | - | 34,174 | 34,082 |
| Vehicle Registration Fee | 1,340 | - | 15,822 | 12,229 | 17,162 | 12,229 |
| Gain (Loss) on Sale of Capital Assets | - | 8,597 | 63 | (7) | 63 | 8,590 |
| Investment Income | 6,395 | 2,870 | 1,108 | 362 | 7,503 | 3,232 |
| **Total Revenues** | **849,414** | **855,279** | **240,480** | **255,220** | **1,089,894** | **1,110,499** |
| **Expenses:** | | | | | | |
| Legislative, Executive, and Staff | 46,097 | 63,439 | - | - | 46,097 | 63,439 |
| Courts and Judiciary | 59,360 | 59,827 | - | - | 59,360 | 59,827 |
| General Governmental Services | 12,602 | 13,089 | - | - | 12,602 | 13,089 |
| Public Safety | 174,702 | 194,000 | - | - | 174,702 | 194,000 |
| Public Works and Highways | 87,701 | 119,825 | - | - | 87,701 | 119,825 |
| Human Services | 323,540 | 319,930 | - | - | 323,540 | 319,930 |
| Parks, Recreation, and Culture | 90,315 | 113,016 | - | - | 90,315 | 113,016 |
| Interest | 18,281 | 19,783 | - | - | 18,281 | 19,783 |
| Airports | - | - | 92,641 | 103,736 | 92,641 | 103,736 |
| Transit | - | - | 154,766 | 163,714 | 154,766 | 163,714 |
| **Total Expenses** | **812,598** | **902,909** | **247,407** | **267,450** | **1,060,005** | **1,170,359** |
| **Change in Net Position Before Transfers** | **36,816** | **(47,630)** | **(6,927)** | **(12,230)** | **29,889** | **(59,860)** |

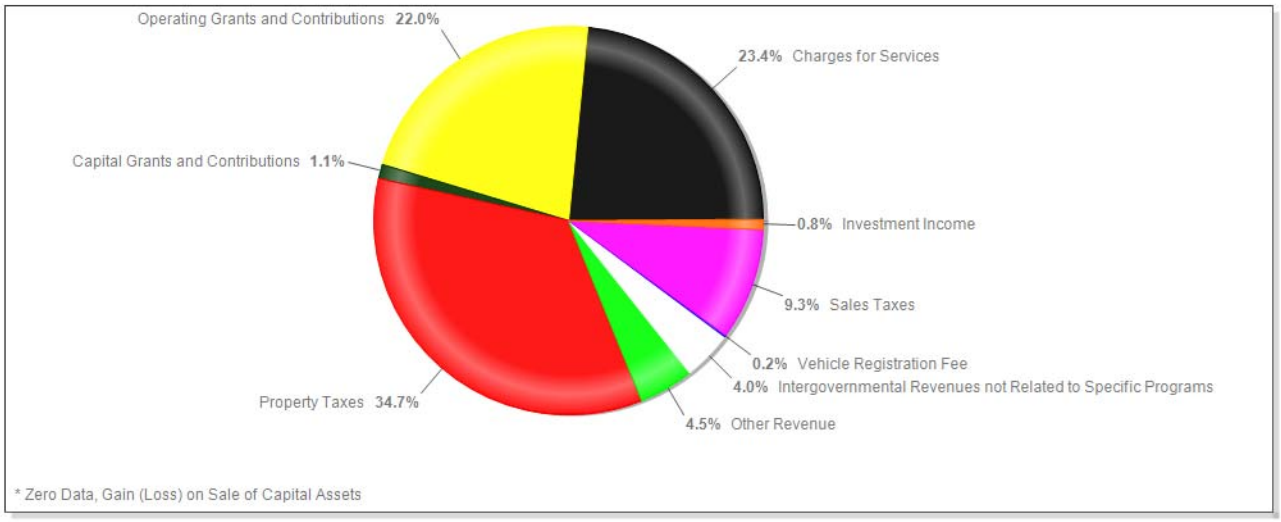
| | Governmental Activities | | Business-type Activities | | Primary Government Total | |
|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Transfers | (13,438) | (12,944) | 13,438 | 12,944 | - | - |
| **Change in Net Position** | **23,378** | **(60,574)** | **6,511** | **714** | **29,889** | **(59,860)** |
| **Net Position (Deficit) - Beginning of the Year** | **(507,487)** | **(446,913)** | **304,853** | **304,139** | **(202,634)** | **(142,774)** |
| **Cumulative Effect of Change in Accounting Principle** | **(890,315)** | **-** | **(310,369)** | **-** | **(1,200,684)** | **-** |
| **Net Position (Deficit) - End of the Year** | **$ (1,374,424)** | **$ (507,487)** | **$ 995** | **$304,853** | **$ (1,373,429)** | **$ (202,634)** |

## Governmental Activities

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

## 2018 Actual Revenues compared to 2017 Actual Revenues

**Revenues by Source - Governmental Activities -**



## GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont'd)

The County's Governmental Activities' total actual revenues decreased by $5,865 (or 0.7%) to $849,414 in 2018 from $855,279 in 2017. The various sources of revenue for fiscal year 2018 are stated as a percentage of total revenues in the Revenues by Source pie graph above.

Charges for Services decreased by $7,036 to $198,888 in 2018 from $205,924 in 2017. Charges for Services is the largest source of County revenues and represents collections from those who directly benefit from County services.

Operating Grants and Contributions revenue increased by $3,716 to $186,691 in 2018 from $182,975 in 2017. Operating Grants and Contributions generally represent federal and state grants revenue with the majority supporting health and human services programs.

Capital Grants and Contributions decreased by $8,977 to $9,608 in 2018 from $18,585 in 2017. Parks and Highways have projects that are funded with capital grants.

Property Tax revenue increased by $3,118 to $294,488 in 2018 from $291,370 in 2017. Caps on increases in levy rates limit the increase each year which is more fully described in the Letter of Transmittal.

Sales Tax revenue increased by $4,623 to $79,226 in 2018 from $74,603 in 2017. Beginning October 1, 2018, the State of Wisconsin requires sellers without a physical presence in Wisconsin to collect and remit sales or use tax on sales of taxable products and services in Wisconsin.

Intergovernmental revenues not related to specific programs increased by $92 to $34,174 in 2018 from $34,082 in 2017 as a result of an increase of State payments to compensate for the exemption of the computers from property tax rolls, per 1997 Wisconsin Act 237.

Vehicle Registration Fee revenue increased by $1,340 to $1,340 in 2018 from $0 in 2017.

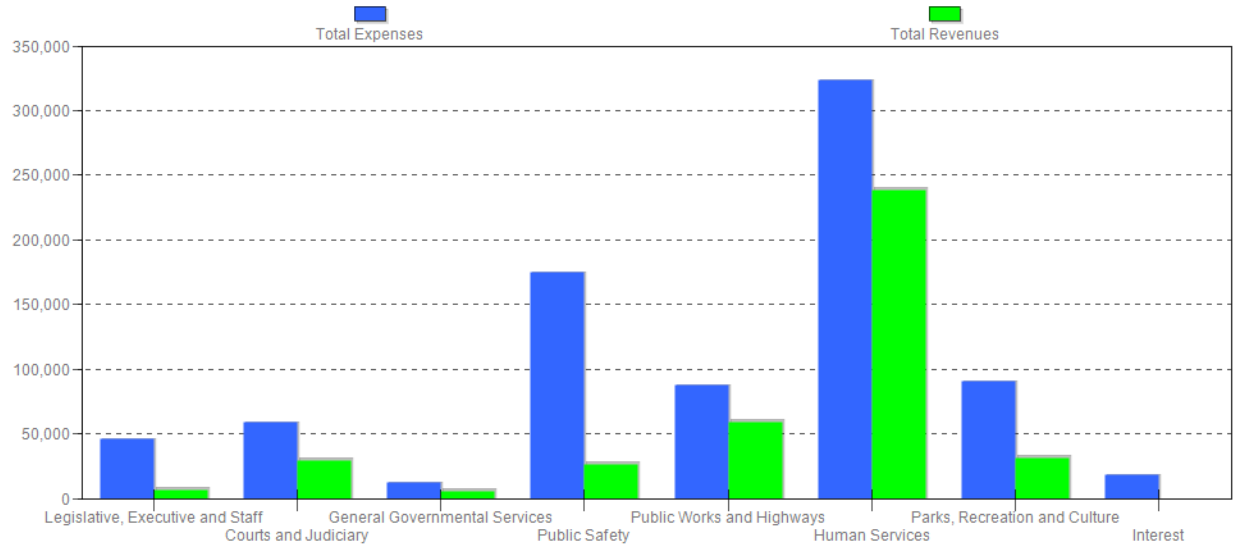
Investment Income increased by $3,525 to $6,395 in 2018 from $2,870 in 2017 as a result of a better market interest rates.

Gain/(Loss) on the Sale of Capital Assets decreased by $8,597 to $0 in 2018 from $8,597 in 2017. There were no sales in 2018.

Other revenue increased by $2,331 to $38,604 in 2018 from $36,273 in 2017.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont'd)

**Total Expenses and Total Revenues - Governmental Activities -**




**Actual Expenses compared to 2017 Actual Expenses**

The County's Governmental Activities' total actual expenses decreased by $90,311 (or 10.0%) to $812,598 in 2018 from $902,909 in 2017. Total expenses compared to total revenues by activity for fiscal year 2018 are shown in the Total Expenses and Total Revenues bar graph.

Legislative, Executive, and Staff expenses decreased by $17,342 to $46,097 in 2018 from $63,439 in 2017 as a result of a change in the cross charge policy that abates fringe costs for active employees and risk management services.

Courts and Judiciary expenses decreased by $467 to $59,360 in 2018 from $59,827 in 2017 as a result of lower personnel expenditures in 2018.

General Governmental Services expenses decreased by $487 to $12,602 in 2018 from $13,089 in 2017.

Public Safety expenses decreased by $19,298 to $174,702 in 2018 from $194,000 in 2017 as a result of a change in cross charge policy that abates fringe costs for active employees and risk management services.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont'd)

Public Works and Highways expenses decreased by $32,124 to $87,701 in 2018 from $119,825 in 2017 as a result of lower projected future sewer survey and repair costs along with lower personnel expenditures in 2018.

Human Services expenses increased by $3,610 to $323,540 in 2018 from $319,930 in 2017.

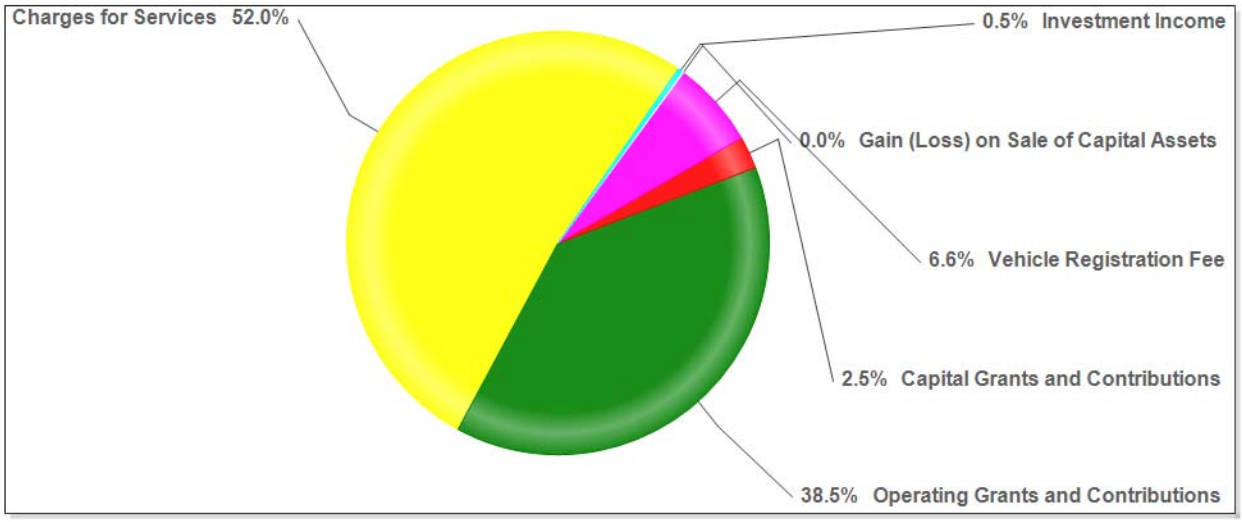
Parks, Recreation, and Culture expenses decreased by $22,701 to $90,315 in 2018 from $113,016 in 2017 as a result of concessions being outsourced to a private vendor.

Interest expense decreased by $1,502 to $18,281 in 2018 from $19,783 in 2017.

### Business-type Activities

The Business-type activities of Milwaukee County includes the Airports and Transit/Para-Transit ("Transit") System.

**Revenues by Source - Business-type Activities -**



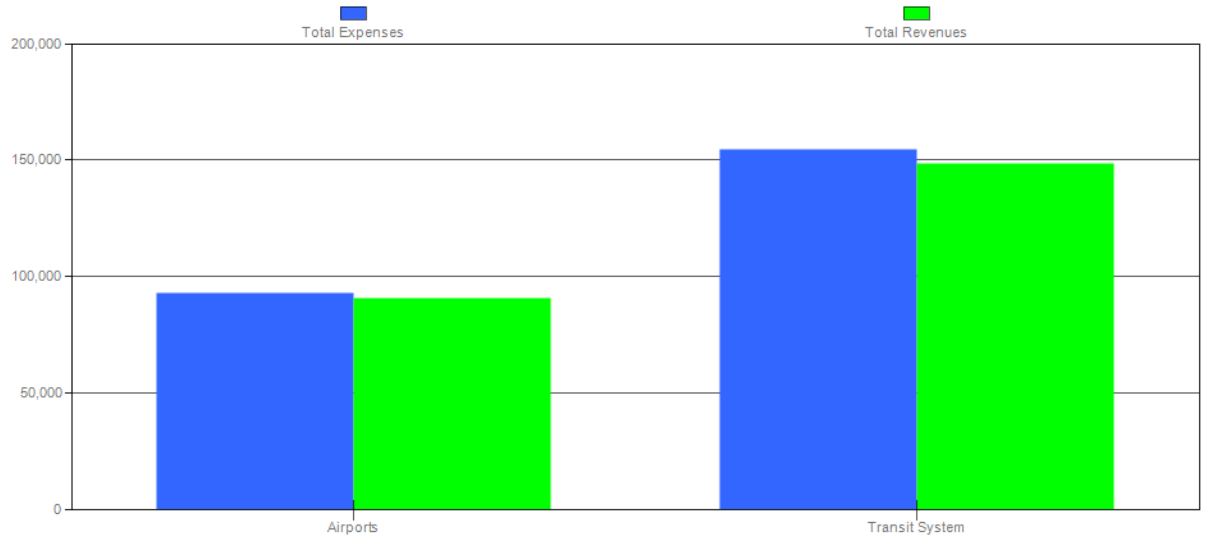
## GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont'd)

In 2018, the Airports' net operating income/(loss) decreased by $(414) (or (33.8)%) to $(1,638) in 2018 from $(1,224) in 2017. Net nonoperating revenues/(expenses) increased by $1,028 (or 16.2%) to $(5,329) in 2018 from $(6,357) in 2017. Total passengers at General Mitchell International Airport increased to 7.098 million passengers in 2018 from 6.905 million passengers in 2017.

Charges for Services revenue, which includes fees charged to airlines for use of the airport and fees received from ancillary services of the airport, decreased by $11,188 to $84,136 in 2018 from $95,324 in 2017. Capital Grants and Contributions revenues decreased by $776 to $6,311 in 2018 from $7,087 in 2017. Investment Income increased by $746 to $1,108 in 2018 from $362 in 2017. Operating Grants and Contributions revenues increased by $102 to $346 in 2018 from $244 in 2017. The Vehicle Registration Fee revenue is not applicable for the Airports.

The Airports' operating expenses decreased by $10,774 to $85,774 in 2018 from $96,548 in 2017. Interest expense decreased by $321 to $6,867 in 2018 from $7,188 in 2017. Gain/ (Loss) on Sale of Capital Assets is negligible for the Airports. Net operating transfers increased by $515 to $1,269 in 2018 from $754 in 2017.

**Total Expenses and Total Revenues - Business-type Activities -**




In 2018, the Transit System's net operating income/(loss) increased by $9,976 (or 8.1%) to $(112,828) in 2018 from $(122,804) in 2017. Net nonoperating revenues/(expenses) increased by $6,594 (or (6.6)%) to $106,869 in 2018 from $100,275 in 2017. Total transit riders declined to 2.181 million passengers in 2018 from 2.285 million passengers in 2017.

Charges for Services revenue increased by $549 to $36,418 in 2018 from $35,869 in 2017. Operating Grants and Contributions revenue, or total Federal and State Grants, increased by $2,638 to $92,122 in 2018 from $89,484 in 2017. Capital Grants and Contributions revenue

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont'd)

decreased by $11,106 to $(312) in 2018 from $10,794 in 2017. The Vehicle Registration Fee revenue increased by $3,593 to $15,822 in 2018 from $12,229 in 2017. Investment income is negligible for the Transit System.

The Transit System's operating expenses decreased by $8,796 to $153,712 in 2018 from $162,508 in 2017. Interest expense decreased by $152 to $1,054 in 2018 from $1,206 in 2017. Gain/(Loss) on Sale of Capital Assets increased by $211 to $(21) in 2018 from $(232) in 2017. Net operating transfers, or total County operating support, decreased by $20 to $12,169 in 2018 from $12,189 in 2017.

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

### Governmental funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements.

As of December 31, 2018, the County's Governmental Funds report combined ending fund balances of $219,638. The restricted fund balance consists of $4,798 for 2019 Appropriations, $5,000 for 2020 Appropriations, $47,782 for Debt Service, $45,570 for Commitments (including construction), $9,408 for Delinquent Property Taxes, $680 for Housing, $44,839 for Airports, $5,313 for Administrative Services, $1,975 for Zoo, $1,700 for Parks, $108 for Persons with Disabilities Division, $40,133 for Behavioral Health Division and $9,582 for Fleet and Facilities Divisions. The remainder of the Fund Balance consists of $639 of committed funds for Economic Development and $2,111 of non-spendable funds for Inventories and Prepaids.

The General fund is the main operating fund of the County and provides a majority of the day to day funding. It is used to account for and report all financial resources, except those resources required to be accounted for and reported in another fund. The General fund fund balance decreased by $3,832 (or 5.8%) to $62,795 in 2018 from $66,627 in 2017 due to increases in the restricted accounts for Behavioral Health Division and Commitments being offset by decreases in the Delinquent Property Tax restricted account.

The Debt Service fund balance is restricted for the payment of debt service. The Debt Service fund increased by $7,043 (or (17.3)%) to $47,782 in 2018 from $40,739 in 2017, primarily as a result of the use of funds to pay debt service interest, contribute cash for debt refunding and provide funds to finance capital projects.

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (cont'd)

The Capital Projects fund balance is restricted for commitments made on capital projects in progress. The Capital Projects fund decreased by $8,752 (or 20.2%) to $34,501 in 2018 from $43,253 in 2017. The fund balance decreased because the County has been working to reduce the backlog in capital project commitments.

### Proprietary funds

At the end of 2018, the unrestricted net position of the two major funds, Airports and the Transit System, totals a deficit of $379,274 due to the recognition of the net pension liability associated with both funds beginning in 2015 and post employment benefits in 2018. The total net position of these same two major funds is $995 at the end of 2018 compared to $(5,516) at the end of 2017, after restating for GASB Statement No. 75. The total net position for the Airports increased by $613 and the total net position for the Transit System increased by $5,898. Restricted net assets of the Airports are required per debt covenants associated with revenue bonds issued for capital improvements.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Expenditures and other uses exceeded revenues and other sources by $23,119 in the General Fund for the year ended December 31, 2018. The table below is presented on a Non-GAAP budgetary basis. The Non-GAAP budgetary basis of actual revenues and expenditures differs from the Statement of Revenues, Expenditures, and Changes in Fund Balance due to the inclusion of encumbrances of $19,287 in expenditures and transfers to component units of ($6,569).

**COUNTY OF MILWAUKEE, WISCONSIN**
**Statement of Revenue, Expenditures and Changes in Net Position - Non-GAAP Budgetary Basis**
**General Fund**
**For the Year Ending December 31, 2018**
**(In Thousands)**

| | Original Budget | Final Budget | Actual | Variance |
|---|---|---|---|---|
| **Revenue and Other Sources** | | | | |
| Intergovernmental Revenue | $ 235,958 | $ 246,941 | $ 242,575 | $ (4,366) |
| Taxes | 366,760 | 366,760 | 368,870 | 2,110 |
| Vehicle Registration Fees | 1,025 | 1,025 | 1,025 | - |
| Charges for Services | 182,436 | 180,970 | 162,166 | (18,804) |
| Other | 26,663 | 32,678 | 29,675 | (3,003) |
| **Total** | **812,842** | **828,374** | **804,311** | **(24,063)** |
| **Expenditures, Other Uses and Special Item** | | | | |
| Expenditures | 712,892 | 741,957 | 710,840 | 31,117 |
| Other Financing Sources | 104,863 | 106,855 | 116,590 | (9,735) |
| **Total** | **817,755** | **848,812** | **827,430** | **21,382** |
| **Changes in Fund Balance** | **$ (4,913)** | **$ (20,438)** | **$ (23,119)** | **$ (2,681)** |

## GENERAL FUND BUDGETARY HIGHLIGHTS (cont'd)

**2018 Actual Revenues compared to 2018 Final Budget**

Actual General Fund revenues are $24,063 (or 2.9%) below the final budget amount. This is primarily due to:

- Intergovernmental revenues are $4,366 below and is composed of:
  - ◊ Department of Health and Human Services below $2,882 due to unrealized revenue (with offsetting underspend in expenses) for the Children's Long Term Support Program; a carryover of of 5% of contract funds for Youth Aids to 2019; and a reduction in the number of eligible youth served in the Children's Community Options Program.
  - ◊ House of Corrections below $1,058 due to significantly lower inmate population during contract negotiations with the Department of Adult Institutions.

- Taxes are $2,110 above and is composed of:
  - ◊ Property taxes are $1,390 below due to an increase in property taxes written off and a decrease of interest on delinquent property taxes.
  - ◊ Sales Taxes are $3,500 above due to an increase in tax collections from online sales in Wisconsin.

- Charges for Services are $18,804 below and is composed of:
  - ◊ Behavioral Health Division patient revenue is $14,010 below resulting from a decrease in patient census.
  - ◊ Zoo revenue $1,916 below resulting from a decrease in walk-in attendance, recreation activites and parking lot revenue.

- Other revenues are $3,003 below and is composed of:
  - ◊ Fines and Forfeits are $192 above due to more than anticipated revenue from bail forfeitures.
  - ◊ Licenses and Permits are $158 above due to revenue received from excavation permits.
  - ◊ Investment Income is $2,526 above due to better investment earnings rates.
  - ◊ Other income is $5,879 below budget due to Board resolution to eliminate administrative charges to the Pension Plan and reclassification of transfers of prior year surplus.

## GENERAL FUND BUDGETARY HIGHLIGHTS (cont'd)

### 2018 Actual Expenditures compared to 2018 Final Budget

Actual General Fund expenditures (excluding transfers) are $31,117 (or 4.2%) below the final budget amount. This is primarily due to:

- The Behavioral Health Division's operational costs are below budget by $12,579. This is primarily related to salaries being under budget due to vacant positions; lower enrollment in the Comprehensive Community Services (CCS) Program; and lower Wraparound enrollment and per member spending than anticipated in 2018 budget.

- The Department of Health and Human Services operational costs are below budget by $7,964. This is primarily due to underutilization of budget authority for HUD programs and a delay in the opening of a Residential Care Center for the Division of Youth and Family Services.

- Fleet and Facilities Management operational costs are below budget by $2,033. This is primarily due to overbudgeted rent expense and lower salaries and benefits expense due to vacant positions.

- Child Support Enforcement operational costs are below budget by $1,713. This is primarily due to the loss of a partner in the Pathways program.

- County Funded Court Services operational costs are below budget by $1,451.

- Highway Maintenance operational costs are below budget by $1,187. This is primarily due to lower salaries and benefits expense due to vacant positions.

### Budget Transfers

Transfers to Other Funds represent amounts transferred to other funds such as Debt Service, Capital Projects, Internal Service Funds, and Transit. When revenues fall short of expenditures in each of these funds, the County uses non-departmental revenues such as property tax and state shared revenue to provide financial support to these other funds. The revenue is allocated through an operating transfer from the General Fund.

There are three basic reasons for variances between the original budget and the amended budget:

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

The carryover of encumbrances from the prior year process is automatic each year, and is authorized by Wisconsin State Statute and Milwaukee County Ordinance. The carryover of capital outlay and the associated revenue is also authorized by state statute and is approved by the County Board on a preliminary basis in March and finalized in April. During the fiscal year,

## GENERAL FUND BUDGETARY HIGHLIGHTS (cont'd)

the County Board receives fund transfer requests from departments. These transfer requests are reviewed and approved by the County Board.

The difference between original budget revenue of $812,842 and final budget revenue of $828,374 is an increase of $15,532. The difference between original budget expenses of $712,892 and final budget expenses of $741,957 is an increase of $29,065.

The major budget transfers of $1,000 or greater in the general fund during 2018 are listed below:

- Legislative, Executive and Staff
  - ◊ Appropriation transfer of $1,662 from contingency to Milwaukee County Parks Department to replace revenues budgeted for discontinued paid parking program adopted in the 2018 budget.

- Public Works and Highways
  - ◊ Increase of $1,375 to create expenditure and revenue authority for the Federal Transit Administration Section 5310 program.

- Human Services
  - ◊ Transfer of $73,199, $38,088, $9,904, $1,740, and $1,021 to align the budgets within the organizational structure currently in use.
  - ◊ Transfer of $2,444 of contract purchasing authority from the Behavorial Health Division to the Department of Health and Human Services for a residential treatment facility contract services, such services were then cross-charged back to the Behavorial Health Division for $2,444 from the Health and Human Service - Delinquency and Court Service Division.
  - ◊ Appropriation transfer of $3,000 to create capital project Secured Youth Facilitiy Phase I.
  - ◊ Appropriation transfer of $1,493 to increase funding for the Children's Long Term Support 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 to offset any shortfalls between revenues and expenditures. The 2018 actual net contribution made by the General Fund to other funds is $110,312, which includes a year-end contribution of $18,310 for an overall 2018 County-wide operating surplus that was moved into the Debt Service Reserve of the Debt Service Fund.

The General Fund collects all Property Tax, Sales Tax revenue, and Intergovernmental revenues not related to a specific program. These revenues are then transferred at the end of the year to the other Governmental Funds and the Proprietary Funds to offset any shortfalls between revenues and expenditures. Any gains in these same funds are returned to the

## GENERAL FUND BUDGETARY HIGHLIGHTS (cont'd)

General Fund, except for the Airports, which is required to maintain any gains or losses as part of its lease and/or revenue bond agreements, and the Behavioral Health Division.

The change in transfers between the original budget and the amended budget is due to the net changes in carryovers and encumbrances between years and any net transfers made from the General Fund to Proprietary Fund departments.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

Milwaukee County's capital assets, net of accumulated depreciation, for its governmental and business-type activities as of December 31, 2018 is $1,171,508 (cost of $2,569,424 less accumulated depreciation of $1,397,916). The County's total investment in capital assets decreased overall by 1.5% - Governmental Activities increased by 0.4% and business-type activities decreased by 3.9%. The investments in capital assets includes land; land improvements; construction in progress; buildings and improvements; machinery, vehicles and equipment; infrastructure; and leased equipment. All infrastructure assets of the County are included in this report.

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

| | Governmental Activities | | Business-type Activities | | Primary Government Total | |
|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Land | $ 59,447 | $ 59,311 | $ 22,091 | $ 22,091 | $ 81,538 | $ 81,402 |
| Construction in Progress | 79,706 | 65,123 | 30,245 | 35,701 | 109,951 | 100,824 |
| Land Improvements | 103,602 | 106,081 | 124,167 | 122,124 | 227,769 | 228,205 |
| Building and Improvements | 252,603 | 260,695 | 246,078 | 253,842 | 498,681 | 514,537 |
| Infrastructure | 104,674 | 103,965 | - | - | 104,674 | 103,965 |
| Machinery, Vehicles & Equipment | 55,143 | 57,390 | 93,752 | 103,264 | 148,895 | 160,654 |
| **Total** | $ 655,175 | $ 652,565 | $ 516,333 | $ 537,022 | $ 1,171,508 | $ 1,189,587 |

The Major Adopted Capital Project appropriations of $1,000 or greater for 2018 include the following:

- $1,000 for Sheriff fleet equipment
- $1,181 for Safety Building elevator mod
- $1,301 for slab replacement Milwaukee Public Museum/Pioneer Village
- $1,545 for GMIA replace jet bridges
- $1,883 for Milwaukee Center for the Performing Arts Uihlein stage lifts
- $2,141 for McKinley Marina parking lots
- $2,342 for GMIA airfield pavement replacement
- $2,838 for Fleet Central Garage roof replacement

## CAPITAL ASSETS AND DEBT ADMINISTRATION (cont'd)

- $2,716 for Milwaukee Public Museum fire panel replacement
- $2,815 for GMIA MKE business park electrical infrastructure
- $3,233 for Fleet general equipment
- $3,576 for Fleet parks equipment
- $4,408 for road construction N Teutonia-Good Hope to Bradley
- $4,477 for GMIA deicer pads
- $5,000 for road construction 13-Drexel to Rawson
- $5,781 for mainframe application migration
- $13,500 for bus replacement program
- $25,198 for GMIA International terminal redevelopment

Additional information on the County's capital assets can be found in Note 5 on pages 111 - 121 of this report.

### Long-Term Debt

As of December 31, 2018, the County's total outstanding debt balance is $743,299. This amount is comprised of $573,155 for general obligation bonds and $170,144 for airport revenue bonds.

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

| | Governmental Activities | | Business-type Activities | | Primary Government Total | |
|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| General Obligation Bonds | $ 540,658 | $ 576,821 | $ 32,497 | $ 35,231 | $ 573,155 | $ 612,052 |
| Revenue Bonds | - | - | 170,144 | 182,575 | 170,144 | 182,575 |
| **Totals** | $ 540,658 | $ 576,821 | $ 202,641 | $ 217,806 | $ 743,299 | $ 794,627 |

The County's total debt decreased by $51,328 during the year ended December 31, 2018.

### New debt issued by the County during 2018:

In October and November 2018, pursuant to Chapter 67 of the Wisconsin Statutes, the County issued:

- General Obligation Refunding Bonds, Series 2018A, in the amount of $46,890 and Taxable General Obligation Refunding Bonds, Series 2018B, in the amount of $4,325 to refund all the outstanding callable maturities of the General Obligation Corporate Purpose Bonds, Series 2009C; the Taxable General Obligation Corporate Purpose Bonds, Series 2009E; and the Taxable General Obligation Corporate Purpose Bonds, Series 2010A. (October 2018).

## CAPITAL ASSETS AND DEBT ADMINISTRATION (cont'd)

- Taxable General Obligation Refunding Bonds, Series 2018C, in the amount of $7,060 to refund a portion of the outstanding callable maturities of the General Obligation Promissory Notes, Series 2009F; General Obligation Promissory Notes, Series 2010D; General Obligation Refunding Bonds, Series 2012A; Taxable Pension Obligation Replacement Bonds, Series 2013A; General Obligation Corporate Purpose Notes, Series 2016C; General Obligation Corporate Purpose Refunding Bonds, Series 2016E and General Obligation Corporate Purpose Notes, Series 2017D related to Marcus Center of the Performing Arts improvements. (October 2018).

- General Obligation Corporate Purpose Bonds, Series 2018D, in the amount of $12,405 to finance various capital projects (November 2018).

- General Obligation Promissory Notes, Series 2018E, in the amount of $8,130 to finance various capital projects (November 2018).

- Taxable General Obligation Promissory Notes, Series 2018F in the amount of $6,360 to finance various capital projects (November 2018).

Additional information on the County's Long-Term debt can be found in Note 8 on pages 123 - 132 of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Milwaukee County's annualized unemployment rate for 2018 is 3.6% compared to 4.0% in 2017, a 0.4% decrease. The unemployment rate for the month of May 2019 is 3.3% compared to 3.2% for the month of May 2018. Data as reported by the State of Wisconsin Department of Workforce Development.

- The median price for homes sold in Milwaukee County in 2018 is $158.0. compared to $148.0 in 2017, an increase of $10.0 (or 6.8%). The annual median price for homes sold in Milwaukee County for the month of May 2019 is $180.0 compared to $157.8 for the month of May 2018, an increase of $22.2 (or 14.1%). Data as reported by the Wisconsin Realtors Association, Housing Statistics Report.

During the 2018 fiscal year, the County has a net excess of revenues over expenditures of $5,000 after considering net revenue from operations and changes in reserve balances. This excess is identified on the governmental funds balance sheet as Restricted for 2020 Appropriations and will be added to the revenue of the 2020 budget.

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

### Requests for Financial Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Please address any questions about this report, or requests for additional financial information, to:

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

# BASIC FINANCIAL STATEMENTS

# COUNTY OF MILWAUKEE, WISCONSIN

Statement of Net Position
As of December 31, 2018
(In Thousands)

| | Primary Government | | | |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Component Units |
| **ASSETS** | | | | |
| Current Assets: | | | | |
| Cash and Investments | $ 181,830 | $ 99,863 | $ 281,693 | $ 7,351 |
| Cash and Investments - Restricted | 74,142 | 23,668 | 97,810 | - |
| Receivables: | | | | |
| Accounts (Net of Allowances for Doubtful Accounts) | 21,705 | 4,970 | 26,675 | 1,559 |
| Property Taxes: | | | | |
| Current Levy | 295,180 | - | 295,180 | - |
| Delinquent | 6,912 | - | 6,912 | - |
| Accrued Interest and Dividends | 5,193 | - | 5,193 | - |
| Other | 15,096 | 2,538 | 17,634 | 134 |
| Due From Other Governments | 53,449 | 10,431 | 63,880 | - |
| Inventories | 1,503 | 4,102 | 5,605 | 77 |
| Prepaid Items | 610 | 1,063 | 1,673 | 351 |
| Insurance Deposits | 3,173 | - | 3,173 | - |
| Total Current Assets | 658,793 | 146,635 | 805,428 | 9,472 |
| Noncurrent Assets: | | | | |
| Long-Term Investments | - | - | - | 6,134 |
| Receivables: | | | | |
| Contributions | - | - | - | 874 |
| Delinquent Property Taxes | 3,959 | - | 3,959 | - |
| Other Assets | - | - | - | 2,754 |
| Capital Assets: | | | | |
| Land | 59,447 | 22,091 | 81,538 | - |
| Construction in Progress | 79,706 | 30,245 | 109,951 | 20 |
| Land Improvements | 295,809 | 242,297 | 538,106 | - |
| Buildings and Improvements | 748,941 | 452,762 | 1,201,703 | 52,390 |
| Infrastructure | 222,250 | - | 222,250 | - |
| Machinery, Vehicles and Equipment | 194,736 | 221,140 | 415,876 | 28,028 |
| Less: Accumulated Depreciation | (945,714) | (452,202) | (1,397,916) | (43,016) |
| Total Capital Assets | 655,175 | 516,333 | 1,171,508 | 37,422 |
| Total Noncurrent Assets | 659,134 | 516,333 | 1,175,467 | 47,184 |
| Total Assets | 1,317,927 | 662,968 | 1,980,895 | 56,656 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Deferred Loss on Refunding of Debt | 8,304 | 20 | 8,324 | - |
| Deferred Outflow for Pension Contributions Subsequent to the Measurement Date | 57,937 | 13,308 | 71,245 | - |
| Deferred Outflow Difference Between Actual and Expected Experience | 3,704 | - | 3,704 | - |
| Deferred Outflow Pension Assumption Changes | 37,465 | 1,877 | 39,342 | - |
| Deferred Outflow of Resources for OPEB Contributions Made After Measurement Date | 63,612 | 13,863 | 77,475 | - |
| Total Deferred Outflows of Resources | 171,022 | 29,068 | 200,090 | - |
| Total Assets and Deferred Outflows of Resources | $ 1,488,949 | $ 692,036 | $ 2,180,985 | $ 56,656 |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Statement of Net Position
As of December 31, 2018
(In Thousands)

| | Primary Government | | | |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Component Units |
| **LIABILITIES** | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | $ 64,642 | $ 6,990 | $ 71,632 | $ 999 |
| Accrued Liabilities | 11,846 | 3,683 | 15,529 | 1,335 |
| Accrued Interest Payable | 2,864 | 932 | 3,796 | 5 |
| Due to Other Governments | 11,522 | - | 11,522 | - |
| Unearned Revenues | 1,494 | 27,024 | 28,518 | 1,965 |
| Bonds and Notes Payable - General Obligation | 62,755 | 3,392 | 66,147 | 710 |
| Bonds and Notes Payable - Revenue | - | 11,125 | 11,125 | - |
| Unfunded Claims and Judgments | 2,500 | - | 2,500 | - |
| Pollution Remediation Costs | 909 | - | 909 | - |
| Landfill Postclosure Costs | 40 | - | 40 | - |
| Compensated Absences Payable | 20,087 | 2,931 | 23,018 | - |
| Risk Claims | 9,120 | 6,203 | 15,323 | - |
| Capital Leases | 637 | 213 | 850 | - |
| Other Current Liabilities | 1,035 | 2,332 | 3,367 | 1,122 |
| Total Current Liabilities | 189,451 | 64,825 | 254,276 | 6,136 |
| Noncurrent Liabilities: | | | | |
| Bonds and Notes Payable - General Obligation | 477,903 | 29,105 | 507,008 | 4,152 |
| Bonds and Notes Payable - Revenue | - | 159,019 | 159,019 | - |
| Net Pension Liability | 506,651 | 44,906 | 551,557 | - |
| Unfunded Claims and Judgments | 10,000 | - | 10,000 | - |
| Landfill Postclosure Costs | 1,185 | - | 1,185 | - |
| Pollution Remediation Costs | 16,671 | - | 16,671 | - |
| Compensated Absences Payable | 8,961 | 8,990 | 17,951 | - |
| Risk Claims | 14,200 | 2,179 | 16,379 | - |
| Other Post Employment Benefits | 1,296,169 | 334,818 | 1,630,987 | - |
| Capital Leases | 661 | 113 | 774 | - |
| Other Noncurrent Liabilities | - | - | - | 3 |
| Accrued Pension and Post Retirement Benefits | - | - | - | 4,536 |
| Total Noncurrent Liabilities | 2,332,401 | 579,130 | 2,911,531 | 8,691 |
| Total Liabilities | 2,521,852 | 643,955 | 3,165,807 | 14,827 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Deferred Tax Revenue | 301,234 | - | 301,234 | - |
| Deferred Inflow Pension Difference Between Actual and Expected Experience | 1,691 | 13,287 | 14,978 | - |
| Deferred Inflow Net Difference Between Expected and Actual Earnings on Pension Plan Investments | 37,643 | 23,543 | 61,186 | - |
| Deferred Inflow Pension Assumption Changes | - | 3,213 | 3,213 | - |
| Deferred Inflow OPEB Difference Between Actual and Expected Experience | 953 | 228 | 1,181 | - |
| Deferred Inflow Net Difference Between Expected and Actual Earnings on OPEB Investments | - | 6,815 | 6,815 | - |
| Total Deferred Inflows of Resources | 341,521 | 47,086 | 388,607 | - |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Statement of Net Position
As of December 31, 2018
(In Thousands)

| | Primary Government | | | |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Component Units |
| **NET POSITION (DEFICIT)** | | | | |
| Net Investment in Capital Assets | $ 421,954 | $ 336,651 | $ 758,605 | $ 32,560 |
| Restricted for: | | | | |
| 2019 Appropriations | 4,798 | - | 4,798 | - |
| 2020 Appropriations | 5,000 | - | 5,000 | - |
| Administrative Services | 5,313 | - | 5,313 | - |
| Airport - Passenger Facilities Charges and Debt | 44,839 | - | 44,839 | - |
| Behavioral Health Division | 40,133 | - | 40,133 | - |
| Capital Asset Needs | - | 20,986 | 20,986 | - |
| Capital Project Commitments | 34,501 | - | 34,501 | - |
| Commitments - Expendable | 15,661 | 4,855 | 20,516 | - |
| Debt Service | 47,782 | 17,777 | 65,559 | - |
| Delinquent Property Tax | 9,408 | - | 9,408 | - |
| Fleet and Facilities Divisions | 9,582 | - | 9,582 | - |
| Housing | 680 | - | 680 | - |
| Museum | - | - | - | 8,072 |
| Other | - | - | - | 161 |
| Parks | 1,700 | - | 1,700 | - |
| Persons with Disabilities | 108 | - | 108 | - |
| Zoo | 1,975 | - | 1,975 | - |
| Unrestricted (Deficit) | (2,017,858) | (379,274) | (2,397,132) | 1,036 |
| Total Net Position (Deficit) | (1,374,424) | 995 | (1,373,429) | 41,829 |
| Total Liabilities, Deferred Inflows of Resources and Net Position | $ 1,488,949 | $ 692,036 | $ 2,180,985 | $ 56,656 |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Statement of Activities
For the Year Ended December 31, 2018
(In Thousands)

| | | Program Revenues | | | Net (Expense) Revenues and Changes in Net Position<br>Primary Government | | | |
|---|---|---|---|---|---|---|---|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total | Component Units |
| **Functions / Programs** | | | | | | | | |
| **Primary Government:** | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| Legislative, Executive and Staff | $ (46,097) | $ 5,825 | $ 611 | $ - | $ (39,661) | $ - | $ (39,661) | $ - |
| Courts and Judiciary | (59,360) | 3,920 | 25,263 | - | (30,177) | - | (30,177) | - |
| General Governmental Services | (12,602) | 4,988 | 77 | - | (7,537) | - | (7,537) | - |
| Public Safety | (174,702) | 13,426 | 12,905 | - | (148,371) | - | (148,371) | - |
| Public Works and Highways | (87,701) | 29,854 | 21,121 | 7,736 | (28,990) | - | (28,990) | - |
| Human Services | (323,540) | 112,172 | 126,301 | - | (85,067) | - | (85,067) | - |
| Parks, Recreation and Culture | (90,315) | 28,703 | 413 | 1,872 | (59,327) | - | (59,327) | - |
| Interest and Other Charges | (18,281) | - | - | - | (18,281) | - | (18,281) | - |
| Total Governmental Activities | (812,598) | 198,888 | 186,691 | 9,608 | (417,411) | - | (417,411) | - |
| Business-type Activities: | | | | | | | | |
| Airport | (92,641) | 84,136 | 346 | 6,311 | - | (1,848) | (1,848) | - |
| Transit | (154,766) | 40,884 | 92,122 | (312) | - | (22,072) | (22,072) | - |
| Total Business-type Activities | (247,407) | 125,020 | 92,468 | 5,999 | - | (23,920) | (23,920) | - |
| Total Primary Government | $ (1,060,005) | $ 323,908 | $ 279,159 | $ 15,607 | $ (417,411) | $ (23,920) | $(441,331) | $ - |
| **Component Units:** | | | | | | | | |
| Milwaukee Public Museum | $ (13,601) | $ 8,864 | $ 3,583 | $ - | - | - | - | (1,154) |
| War Memorial | (2,110) | 799 | 486 | - | - | - | - | (825) |
| Marcus Center | (10,076) | 7,969 | 875 | - | - | - | - | (1,232) |
| Total Component Units | $ (25,787) | $ 17,632 | $ 4,944 | $ - | - | - | - | (3,211) |
| General Revenues: | | | | | | | | |
| Property Taxes | | | | | 294,488 | - | 294,488 | - |
| Sales Taxes | | | | | 79,226 | - | 79,226 | - |
| Intergovernmental Revenues Not Related to Specific Program | | | | | 34,174 | - | 34,174 | - |
| Vehicle Registration Fee | | | | | 1,340 | 15,822 | 17,162 | - |
| Investment Income | | | | | 6,395 | 1,108 | 7,503 | 517 |
| Gain (Loss) on Sale of Capital Assets | | | | | - | 63 | 63 | (8) |
| Other Revenue | | | | | 38,604 | - | 38,604 | 2,606 |
| Transfers | | | | | (13,438) | 13,438 | - | - |
| Total General Revenues and Transfers | | | | | 440,789 | 30,431 | 471,220 | 3,115 |
| Change in Net Position | | | | | 23,378 | 6,511 | 29,889 | (96) |
| Net Position -- Beginning (as Restated) | | | | | (1,397,802) | (5,516) | (1,403,318) | 41,925 |
| Net Position -- Ending | | | | | $ (1,374,424) | $ 995 | $ (1,373,429) | $ 41,829 |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Balance Sheet
Governmental Funds
As of December 31, 2018
(In Thousands)

| | General | Debt Service | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and Investments | $ 55,076 | $ 47,967 | $ 12,162 | $ 30,022 | $ 145,227 |
| Cash and Investments - Restricted | - | - | 29,303 | 44,839 | 74,142 |
| Receivables: | | | | | |
| Accounts (Net of Allowances for Doubtful Accounts) | 19,929 | 11 | 199 | - | 20,139 |
| Property Taxes: | | | | | |
| Current Levy | 295,180 | - | - | - | 295,180 |
| Delinquent | 10,871 | - | - | - | 10,871 |
| Accrued Interest | 5,193 | - | - | - | 5,193 |
| Other | 15,094 | - | - | 2 | 15,096 |
| Due From Other Governments | 51,718 | 79 | 1,637 | - | 53,434 |
| Inventories | 1,503 | - | - | - | 1,503 |
| Prepaid Items | 608 | - | - | 2 | 610 |
| Insurance Deposits | 3,173 | - | - | - | 3,173 |
| Total Assets | $ 458,345 | $ 48,057 | $ 43,301 | $ 74,865 | $ 624,568 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES** | | | | | |
| Liabilities | | | | | |
| Accounts Payable | $ 51,442 | $ 275 | $ 8,669 | $ 305 | $ 60,691 |
| Accrued Liabilities | 14,405 | - | - | - | 14,405 |
| Other Liabilities | 1,035 | - | - | - | 1,035 |
| Due to Other Governments | 11,422 | - | 100 | - | 11,522 |
| Unearned Revenues | 1,463 | - | 31 | - | 1,494 |
| Total Liabilities | 79,767 | 275 | 8,800 | 305 | 89,147 |
| Deferred Inflows of Resources | | | | | |
| Deferred Tax Revenue | 301,234 | - | - | - | 301,234 |
| Unavailable Revenue | 14,549 | - | - | - | 14,549 |
| Total Deferred Inflows of Resources | 315,783 | - | - | - | 315,783 |
| Fund Balances: | | | | | |
| Non-Spendable: | | | | | |
| Inventories | 1,503 | - | - | - | 1,503 |
| Prepaids | 608 | - | - | - | 608 |
| Restricted for: | | | | | |
| 2019 Appropriations | 4,798 | - | - | - | 4,798 |
| 2020 Appropriations | 5,000 | - | - | - | 5,000 |
| Administrative Services | - | - | - | 5,313 | 5,313 |
| Airport - Passenger Facilities Charges and Debt | - | - | - | 44,839 | 44,839 |
| Behavioral Health Division | 29,090 | - | - | 11,043 | 40,133 |
| Commitments | 11,069 | - | 34,501 | - | 45,570 |
| Debt Service | - | 47,782 | - | - | 47,782 |
| Delinquent Property Tax | 9,408 | - | - | - | 9,408 |
| Fleet and Facilities Divisions | - | - | - | 9,582 | 9,582 |
| Housing | 680 | - | - | - | 680 |
| Parks | - | - | - | 1,700 | 1,700 |
| Persons with Disabilities | - | - | - | 108 | 108 |
| Zoo | - | - | - | 1,975 | 1,975 |
| Committed: | | | | | |
| Economic Development | 639 | - | - | - | 639 |
| Total Fund Balances | 62,795 | 47,782 | 34,501 | 74,560 | 219,638 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | $ 458,345 | $ 48,057 | $ 43,301 | $ 74,865 | $ 624,568 |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
As of December 31, 2018
(In Thousands)

| | |
|---|---|
| Total Fund Balances for Governmental Funds as of 12/31/18 | $ 219,638 |
| **Total net position reported for governmental activities in the Statement of Net Position is different because of the following:** | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets, except for internal service funds, consist of: | |
| Land | 59,447 |
| Construction in Progress | 72,280 |
| Land Improvements | 291,401 |
| Buildings and Improvements | 741,560 |
| Infrastructure | 222,250 |
| Machinery, Vehicles and Equipment | 166,323 |
| Less: Accumulated Depreciation | (915,843) |
| Internal service funds are used by management to charge costs associated with risk management, data processing services and public works services. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. Internal service fund net position is: | (5,593) |
| Deferred outflows and deferred inflows of resources do not relate to current resources and are not reported in the governmental funds. | |
| Deferred Loss on Refunding of Debt | 8,281 |
| Deferred Outflow of Pension Contributions Subsequent to the Measurement Date | 57,019 |
| Deferred Outflow Difference Between Actual and Expected Experience | 3,657 |
| Deferred Outflow Pension Assumption Changes | 36,832 |
| Deferred Outflow of Resources for OPEB Contributions Made After Measurement Date | 62,640 |
| Deferred Inflow Net Difference Between Expected and Actual Earnings on Pension Plan Investments | (36,967) |
| Deferred Inflow Difference Between Actual and Expected Experience | (1,664) |
| Deferred Inflow OPEB Difference Between Actual and Expected Experience | (939) |
| 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 | (532,820) |
| Capital Leases | (1,298) |
| Net Pension Liability | (498,992) |
| Unfunded Claims and Judgments | (12,500) |
| Landfill Postclosure Costs | (1,225) |
| Pollution Remediation Costs | (17,580) |
| Compensated Absences Payable | (25,435) |
| Other Post Employment Benefits | (1,276,638) |
| Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements: | 14,549 |
| Interest on long-term debt is not accrued in governmental funds; it is recognized as an expenditure when due. These liabilities are reported in the Statement of Net Position. | (2,807) |
| Total Net Position of Governmental Activities as of 12/31/18 | $ (1,374,424) |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018
(In Thousands)

| | General | Debt Service | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Intergovernmental | $ 242,575 | $ 1,863 | $ 9,608 | $ - | $ 254,046 |
| Property Taxes | 294,488 | - | - | - | 294,488 |
| Sales Taxes | 74,382 | - | 4,845 | - | 79,227 |
| Vehicle Registration Fees | 1,025 | - | 315 | - | 1,340 |
| Charges for Services | 162,166 | - | - | 16,342 | 178,508 |
| Fines and Forfeits | 2,653 | - | - | - | 2,653 |
| Licenses and Permits | 1,087 | - | - | - | 1,087 |
| Investment Income and Rents | 5,449 | 31 | 170 | 747 | 6,397 |
| Other | 20,486 | 10,940 | 1,739 | 258 | 33,423 |
| Total Revenues | 804,311 | 12,834 | 16,677 | 17,347 | 851,169 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Legislative, Executive and Staff | 19,227 | - | - | - | 19,227 |
| Courts and Judiciary | 57,004 | - | - | - | 57,004 |
| General Governmental Services | 11,797 | - | - | - | 11,797 |
| Public Safety | 160,726 | - | - | - | 160,726 |
| Public Works and Highways | 55,188 | - | - | 8,713 | 63,901 |
| Human Services | 326,549 | - | - | 86 | 326,635 |
| Parks, Recreation and Culture | 67,631 | - | - | 1,051 | 68,682 |
| Capital Outlay | - | - | 55,781 | - | 55,781 |
| Debt Service: | | | | | |
| Principal Retired | - | 58,003 | - | - | 58,003 |
| Interest and Other Charges | - | 18,346 | - | - | 18,346 |
| Principal Retired on Current Refunding | - | 51,620 | - | - | 51,620 |
| Total Expenditures | 698,122 | 127,969 | 55,781 | 9,850 | 891,722 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 106,189 | (115,135) | (39,104) | 7,497 | (40,553) |
| Other Financing Sources (Uses): | | | | | |
| General Obligation Bonds Issued | - | 546 | 25,093 | - | 25,639 |
| Refunding Bonds Issued | - | 47,942 | - | - | 47,942 |
| Premium on Debt Issued | - | 4,165 | - | - | 4,165 |
| Proceeds from Sale of Capital Assets | 291 | 84 | - | - | 375 |
| Transfers In | 6,697 | 69,441 | 5,548 | 609 | 82,295 |
| Transfers Out | (117,009) | - | (289) | (171) | (117,469) |
| Total Other Financing Sources (Uses) | (110,021) | 122,178 | 30,352 | 438 | 42,947 |
| Net Change in Fund Balances | (3,832) | 7,043 | (8,752) | 7,935 | 2,394 |
| Fund Balances -- Beginning | 66,627 | 40,739 | 43,253 | 66,625 | 217,244 |
| Fund Balances -- Ending | $ 62,795 | $ 47,782 | $ 34,501 | $ 74,560 | $ 219,638 |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2018
(In Thousands)

| | |
|---|---|
| Net Change in Fund Balances for Total Governmental Funds | $ 2,394 |
| **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 | 55,781 |
| Items reported as capital outlay that were not capitalized | (8,404) |
| Items reported as capital from operations | 3,846 |
| Depreciation reported in the government-wide statements | (51,845) |
| Net book value of assets retired | (286) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 2,854 |
| Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | |
| Debt issued | (25,639) |
| Refunding bonds issued | (47,942) |
| Premium on debt issued | (4,165) |
| Reassignment of long term debt | 86 |
| Principal repaid | 58,003 |
| Principal retired on current refunding | 51,620 |
| Capital lease paid | 701 |
| 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. | 6,489 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds: | |
| Accrued Interest Payable | 394 |
| Amortization of Premiums, Discounts and Unamortized Losses on Refunding | (120) |
| Landfill Postclosure Costs | 10 |
| Pollution Remediation Costs | 7,075 |
| Compensated Absences Payable | (481) |
| Deferred Outflow for Pension Contributions Subsequent to the Measurement Date | 6,940 |
| Deferred Outflow Difference Between Actual and Expected Experience | (16,087) |
| Deferred Outflows Net Difference Between Expected and Actual Earnings on Pension Plan Investments | (89,452) |
| Deferred Outflow Pension Assumption Changes | 36,832 |
| Deferred Outflow of Resources for OPEB Contributions Made After Measurement Date | 62,641 |
| Net Pension Liability | 58,357 |
| Deferred Inflow Pension Difference Between Actual and Expected Experience | (1,664) |
| Deferred Inflow Net Differences Between Expected and Actual Earnings on Pension Plan Investments | (36,967) |
| Deferred Inflow OPEB Difference Betwwen Actual and Expected Experience | (938) |
| Other Postemployment Benefits | (46,655) |
| Change in Net Position of Governmental Activities | $ 23,378 |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Statement of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2018
(In Thousands)

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | $ 235,958 | $ 246,941 | $ 242,575 | $ (4,366) |
| Property Taxes | 295,878 | 295,878 | 294,488 | (1,390) |
| Sales Tax | 70,882 | 70,882 | 74,382 | 3,500 |
| Vehicle Registration Fee | 1,025 | 1,025 | 1,025 | - |
| Charges for Services | 182,436 | 180,970 | 162,166 | (18,804) |
| Fines and Forfeits | 2,461 | 2,461 | 2,653 | 192 |
| Licenses and Permits | 879 | 929 | 1,087 | 158 |
| Investment Income | 3,104 | 2,923 | 5,449 | 2,526 |
| Other | 20,219 | 26,365 | 20,486 | (5,879) |
| Total Revenues | 812,842 | 828,374 | 804,311 | (24,063) |
| Expenditures: | | | | |
| Current | | | | |
| Legislative, Executive and Staff | 30,670 | 27,100 | 25,424 | 1,676 |
| Courts and Judiciary | 57,741 | 60,735 | 57,546 | 3,189 |
| General Governmental Services | 12,088 | 12,379 | 12,115 | 264 |
| Public Safety | 156,339 | 162,685 | 162,326 | 359 |
| Public Works and Highways | 52,932 | 59,779 | 56,498 | 3,281 |
| Human Services | 342,100 | 354,860 | 333,637 | 21,223 |
| Parks, Recreation and Culture | 61,022 | 64,419 | 63,294 | 1,125 |
| Total Expenditures | 712,892 | 741,957 | 710,840 | 31,117 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 99,950 | 86,417 | 93,471 | 7,054 |
| Other Financing Sources (Uses): | | | | |
| Proceeds from Sale of Capital Assets | 400 | 400 | 291 | (109) |
| Transfers In | - | - | 6,697 | 6,697 |
| Transfers Out | (98,627) | (100,619) | (117,009) | (16,390) |
| Transfers To Component Units | (6,636) | (6,636) | (6,569) | 67 |
| Total Other Financing Sources (Uses) | (104,863) | (106,855) | (116,590) | (9,735) |
| Net Change in Fund Balance | (4,913) | (20,438) | (23,119) | (2,681) |
| Fund Balances - Beginning | 66,627 | 66,627 | 66,627 | - |
| Fund Balances - Ending | $ 61,714 | $ 46,189 | $ 43,508 | $ (2,681) |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Balance Sheet
Proprietary Funds
As of December 31, 2018
(In Thousands)

| | Business-type Activities Enterprise Funds | | | Governmental Activities |
|---|---|---|---|---|
| | Airports | Transit System | Total | Internal Service Funds |
| **Assets** | | | | |
| Current Assets: | | | | |
| Cash and Investments | $ 79,832 | $ 20,031 | $ 99,863 | $ 36,602 |
| Cash and Investments -- Restricted | 23,668 | - | 23,668 | - |
| Receivables: | | | | |
| Accounts (Net of Allowance for Doubtful Accounts) | 3,933 | 1,037 | 4,970 | 1,566 |
| Other | 79 | 2,459 | 2,538 | - |
| Due From Other Governments | 6,720 | 3,711 | 10,431 | 15 |
| Inventories | - | 4,102 | 4,102 | - |
| Prepaid Items | - | 1,063 | 1,063 | - |
| Total Current Assets | 114,232 | 32,403 | 146,635 | 38,183 |
| Noncurrent Assets: | | | | |
| Capital Assets: | | | | |
| Land | 19,327 | 2,764 | 22,091 | - |
| Construction in Progress | 25,493 | 4,752 | 30,245 | 7,426 |
| Land Improvements | 236,959 | 5,338 | 242,297 | 4,408 |
| Building and Improvements | 397,256 | 55,506 | 452,762 | 7,381 |
| Machinery, Vehicles and Equipment | 26,840 | 194,300 | 221,140 | 28,413 |
| Total Capital Assets | 705,875 | 262,660 | 968,535 | 47,628 |
| Less: Accumulated Depreciation | (296,272) | (155,930) | (452,202) | (29,871) |
| Total Capital Assets (Net) | 409,603 | 106,730 | 516,333 | 17,757 |
| Total Assets | 523,835 | 139,133 | 662,968 | 55,940 |
| **Deferred Outflows of Resources** | | | | |
| Deferred Loss on Refunding of Debt | - | 20 | 20 | 23 |
| Deferred Outflow for Pension Contributions Subsequent to the Measurement Date | 2,442 | 10,866 | 13,308 | 918 |
| Deferred Outflow Pension Difference Between Expected and Actual Experience | - | - | - | 47 |
| Deferred Outflow Pension Assumption Changes | 1,877 | - | 1,877 | 633 |
| Deferred Outflow of Resources for OPEB Contributions Made After Measurement Date | 2,503 | 11,360 | 13,863 | 972 |
| Total Deferred Outflows of Resources | 6,822 | 22,246 | 29,068 | 2,593 |
| Total Assets and Deferred Outflows of Resources | $ 530,657 | $ 161,379 | $ 692,036 | $ 58,533 |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Balance Sheet
Proprietary Funds
As of December 31, 2018
(In Thousands)

| | Business-type Activities Enterprise Funds | | | Governmental Activities |
|---|---|---|---|---|
| | Airports | Transit System | Total | Internal Service Funds |
| **Liabilities** | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | $ 3,993 | $ 2,997 | $ 6,990 | $ 3,950 |
| Accrued Liabilities | 1,545 | 2,138 | 3,683 | 260 |
| Accrued Interest Payable | 662 | 270 | 932 | 57 |
| Unearned Revenues | 21,146 | 5,878 | 27,024 | - |
| Bonds and Notes Payable - General Obligation | - | 3,392 | 3,392 | 2,953 |
| Bonds and Notes Payable - Revenue | 11,125 | - | 11,125 | - |
| Compensated Absences | 1,229 | 1,702 | 2,931 | 523 |
| Risk Claims | - | 6,203 | 6,203 | 9,120 |
| Capital Leases | 213 | - | 213 | - |
| Other Liabilities | 89 | 2,243 | 2,332 | - |
| Total Current Liabilities | 40,002 | 24,823 | 64,825 | 16,863 |
| Long-Term Liabilities: | | | | |
| Bonds and Notes Payable - General Obligation | - | 29,105 | 29,105 | 4,885 |
| Bonds and Notes Payable - Revenue | 159,019 | - | 159,019 | - |
| Compensated Absences | 626 | 8,364 | 8,990 | 278 |
| Net Pension Liability | 18,389 | 26,517 | 44,906 | 7,659 |
| Risk Claims | - | 2,179 | 2,179 | 14,200 |
| Other Postemployment Benefits | 49,508 | 285,310 | 334,818 | 19,524 |
| Capital Leases | 113 | - | 113 | - |
| Total Long-Term Liabilities | 227,655 | 351,475 | 579,130 | 46,546 |
| Total Liabilities | 267,657 | 376,298 | 643,955 | 63,409 |
| **Deferred Inflows of Resources** | | | | |
| Deferred Inflow Pension Difference Between Actual and Expected Experience | 106 | 13,181 | 13,287 | 27 |
| Deferred Inflow Net Difference Between Expected and Actual Earnings on Pension Plan Investments | 1,567 | 21,976 | 23,543 | 676 |
| Deferred Inflow Pension Assumption Changes | - | 3,213 | 3,213 | - |
| Deferred Inflow OPEB Difference Between Actual and Expected Experience | 36 | 192 | 228 | 14 |
| Deferred Inflow Net Difference Between Expected and Actual Earnings on OPEB Investments | - | 6,815 | 6,815 | - |
| Total Deferred Inflows of Resources | 1,709 | 45,377 | 47,086 | 717 |
| **Net Position (Deficit)** | | | | |
| Net Investment in Capital Assets | 262,398 | 74,253 | 336,651 | 9,940 |
| Restricted for: | | | | |
| Operations and Debt Service | 17,777 | - | 17,777 | - |
| Capital Asset Needs | 20,986 | - | 20,986 | - |
| Commitments | 4,226 | 629 | 4,855 | 1,740 |
| Unrestricted (Deficit) | (44,096) | (335,178) | (379,274) | (17,273) |
| Total Net Position (Deficit) | 261,291 | (260,296) | 995 | (5,593) |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | $ 530,657 | $ 161,379 | $ 692,036 | $ 58,533 |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2018
(In Thousands)

| | Business-type Activities Enterprise Funds | | | Governmental Activities |
|---|---|---|---|---|
| | Airports | Transit System | Total | Internal Service Funds |
| Operating Revenues: | | | | |
| Charges for Services | $ 65,603 | $ - | $ 65,603 | $ 8,322 |
| Admissions and Concessions | 18,405 | - | 18,405 | - |
| Transit Fares | - | 36,418 | 36,418 | - |
| Total Charges for Services | 84,008 | 36,418 | 120,426 | 8,322 |
| Other | 128 | 4,466 | 4,594 | 95 |
| Total Operating Revenues | 84,136 | 40,884 | 125,020 | 8,417 |
| Operating Expenses: | | | | |
| Personnel Services | 24,437 | 95,759 | 120,196 | 4,995 |
| Contractual Services | 20,816 | 22,688 | 43,504 | 9,384 |
| Intra-County Services | 10,636 | 1,107 | 11,743 | 369 |
| Commodities | 5,017 | 14,499 | 19,516 | 155 |
| Depreciation and Amortization | 24,519 | 16,178 | 40,697 | 1,910 |
| Maintenance | 248 | 582 | 830 | 142 |
| Other | 101 | 2,899 | 3,000 | 1,391 |
| Insurance and Claims | - | - | - | 10,332 |
| Total Operating Expenses | 85,774 | 153,712 | 239,486 | 28,678 |
| Operating Income (Loss) | (1,638) | (112,828) | (114,466) | (20,261) |
| Nonoperating Revenues (Expenses): | | | | |
| Intergovernmental Revenues | 346 | 92,122 | 92,468 | 308 |
| Vehicle Registration Fee | - | 15,822 | 15,822 | - |
| Investment Income | 1,108 | - | 1,108 | - |
| Gain (Loss) on Sale of Capital Assets | 84 | (21) | 63 | - |
| Other Income | - | - | - | 4,944 |
| Interest Expense | (6,867) | (1,054) | (7,921) | (297) |
| Total Nonoperating Revenues (Expenses) | (5,329) | 106,869 | 101,540 | 4,955 |
| Income (Loss) Before Contributions and Transfers | (6,967) | (5,959) | (12,926) | (15,306) |
| Capital Contributions | 6,311 | (312) | 5,999 | 59 |
| Transfers In | 1,438 | 12,213 | 13,651 | 27,804 |
| Transfers Out | (169) | (44) | (213) | (6,068) |
| Change in Net Position | 613 | 5,898 | 6,511 | 6,489 |
| Net Position -- Beginning (as Restated) | 260,678 | (266,194) | (5,516) | (12,082) |
| Net Position -- Ending | $ 261,291 | $ (260,296) | $ 995 | $ (5,593) |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018
(In Thousands)

| | Business-type Activities Enterprise Funds | | | Governmental Activities |
|---|---|---|---|---|
| | Airports | Transit System | Total | Internal Service Funds |
| Cash Flows Provided (Used) by Operating Activities: | | | | |
| Receipts from Customers and Users | $ 91,016 | $ 56,415 | $ 147,431 | $ 10,084 |
| Receipts from Interfund Services | - | - | - | 4,205 |
| Payments to Suppliers | (25,434) | (57,129) | (82,563) | (19,111) |
| Payments to Employees including Benefits | (24,437) | (95,714) | (120,151) | (4,995) |
| Payments for Interfund Services Used | (10,636) | (1,107) | (11,743) | (442) |
| Net Cash Flows Provided (Used) by Operating Activities | 30,509 | (97,535) | (67,026) | (10,259) |
| Cash Flows Provided (Used) by Noncapital Financing Activities: | | | | |
| Intergovernmental Revenues | 346 | 92,122 | 92,468 | 308 |
| Transfers From Other Funds | 1,438 | (3,865) | (2,427) | 25,942 |
| Transfers (To) Other Funds | (169) | 16,034 | 15,865 | (4,206) |
| Net Cash Flows Provided (Used) by Noncapital Financing Activities | 1,615 | 104,291 | 105,906 | 22,044 |
| Cash Flows Provided (Used) by Capital and Related Financing Activities: | | | | |
| Proceeds from Bonds | - | 7,528 | 7,528 | 4,061 |
| Capital Contributions | 6,311 | (312) | 5,999 | 59 |
| Principal Payments on Bonds | (10,845) | (10,805) | (21,650) | (6,879) |
| Debt Transfers | - | 2 | 2 | 86 |
| Premium on Bonds | - | 634 | 634 | 229 |
| Interest Paid on Bonds | (8,496) | (1,203) | (9,699) | (415) |
| Principal Payments on Capital Lease | (300) | - | (300) | - |
| Acquisition of Capital Assets | (15,774) | (4,170) | (19,944) | (5,427) |
| Net Cash Flows Provided (Used) by Capital and Related Financing Activities | (29,104) | (8,326) | (37,430) | (8,286) |
| Cash Flows Provided (Used) by Investing Activities: | | | | |
| Investment Income | 1,108 | - | 1,108 | - |
| Net Cash Flows Provided (Used) by Investing Activities | 1,108 | - | 1,108 | - |
| Net Increase (Decrease) in Cash and Cash Equivalents | 4,128 | (1,570) | 2,558 | 3,499 |
| Cash and Cash Equivalents at Beginning of Year | 99,372 | 21,601 | 120,973 | 33,103 |
| Cash and Cash Equivalents at End of Year | $ 103,500 | $ 20,031 | $ 123,531 | $ 36,602 |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018
(In Thousands)

| | Business-type Activities Enterprise Funds | | | Governmental Activities |
|---|---|---|---|---|
| | Airports | Transit System | Total | Internal Service Funds |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities** | | | | |
| Operating Income (Loss) | $ (1,638) | $ (112,828) | $ (114,466) | $ (20,261) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities: | | | | |
| Depreciation and Amortization | 24,519 | 16,178 | 40,697 | 1,910 |
| Nonoperating Revenues | - | 15,822 | 15,822 | 4,944 |
| (Increase) Decrease in Assets and Deferred Outflows of Resources: | | | | |
| Accounts Receivable | 81 | (1,037) | (956) | (322) |
| Other Receivables | - | (252) | (252) | - |
| Due from Other Governments | (2,401) | 176 | (2,225) | 1,250 |
| Inventories | - | 550 | 550 | - |
| Prepaid Items | 137 | (182) | (45) | - |
| Deferred Outflow Pension Contributions Subsequent to the Measurement Date | 966 | (256) | 710 | 89 |
| Deferred Outflow Difference Between Expected and Actual Experience | (1,250) | 248 | (1,002) | 258 |
| Deferred Outflow Net Difference Between Expected and Actual Earnings on Pension Plan Investments | 3,642 | 10,414 | 14,056 | 721 |
| Deferred Outflowof Resources for OPEB Contributions Made After Measurement Date | (191) | 5,588 | 5,397 | (76) |
| (Increase) Decrease in Liabilities and Deferred Inflows of Resources: | | | | |
| Accounts Payable | (464) | (1,024) | (1,488) | 1,795 |
| Accrued Liabilities | (39) | (1,314) | (1,353) | (69) |
| Unearned Revenues | 9,200 | 822 | 10,022 | - |
| Compensated Absences | (66) | (1,160) | (1,226) | 138 |
| Net Pension Liability | (3,226) | (52,257) | (55,483) | (1,095) |
| Risk Claims | - | (144) | (144) | (74) |
| Other Post Employment Benefits | (470) | (9,723) | (10,193) | (184) |
| Deferred Inflow Pension Difference Between Actual and Expected Experience | 106 | 8,197 | 8,303 | 27 |
| Deferred Inflow Net Difference Between Expected and Actual Earnings on Pension Plan Investments | 1,567 | 21,976 | 23,543 | 676 |
| Deferred Inflow Pension Assumption Changes | 36 | (4,336) | (4,300) | - |
| Deferred Inflow OPEB Difference Between Actual and Expected Experience | - | 192 | 192 | 14 |
| Deferred Inflow Net OPEB Difference Between Expected and Actual Earnings on OPEB Investments | - | 6,815 | 6,815 | - |
| Total Adjustments | 32,147 | 15,293 | 47,440 | 10,002 |
| Net Cash Flows Provided (Used) by Operating Activities | $ 30,509 | $ (97,535) | $ (67,026) | $ (10,259) |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Statement of Net Position
Fiduciary Funds
As of December 31, 2018
(In Thousands)

| | Pension Trust Fund | Agency Funds |
|---|---|---|
| **Assets** | | |
| Cash and Investments: | | |
| Domestic Common and Preferred Stocks | $ 382,763 | $ - |
| Long / Short Hedge Funds | 144,821 | - |
| Fixed Income | 310,335 | - |
| International Common and Preferred Stocks | 220,885 | - |
| Real Estate Investments Trusts | 183,425 | - |
| Infrastructure | 147,036 | - |
| Private Equity | 183,485 | - |
| Deposits | 48,264 | 17,803 |
| Total Cash and Investments | 1,621,014 | 17,803 |
| Receivables: | | |
| Accrued Interest and Dividends | 3,195 | - |
| Due from Sale of Investments | 630 | - |
| Other | 2,097 | 1,113 |
| Securities Lending | 33,534 | - |
| Other Assets | 994 | - |
| Total Assets | 1,661,464 | 18,916 |
| **Liabilities** | | |
| Accounts Payable | 2,635 | 742 |
| Agency Deposits | - | 18,174 |
| Securities Lending | 33,534 | - |
| Other Liabilities | 7,074 | - |
| Total Liabilities | 43,243 | 18,916 |
| **Net Position** | | |
| Restricted for Pension Benefits | $ 1,618,221 | $ - |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Statement of Changes in Net Position
Pension Trust Fund
For the Year Ended December 31, 2018
(In Thousands)

| | Total |
|---|---|
| Additions: | |
| Contributions: | |
| County of Milwaukee | $ 61,178 |
| Plan Participants | 12,652 |
| Total Contributions | 73,830 |
| Investment Income: | |
| Net Appreciation (Depreciation) in Fair Value | (55,248) |
| Interest and Dividends | 12,286 |
| Other Income | 10,919 |
| Total Investment Income (Loss) | (32,043) |
| Security Lending Income | 450 |
| Security Lending Rebates (and Fees) | (361) |
| Net Security Lending Activity | 89 |
| Investment Expense: | (3,007) |
| Net Investment Income (Loss) | (34,961) |
| Total Additions, Net of Losses | 38,869 |
| Deductions: | |
| Benefits Paid to Retirees and Beneficiaries | (200,240) |
| Administrative Expenses | (4,894) |
| Withdrawal of Membership Accounts | (1,923) |
| Total Deductions | (207,057) |
| Change In Plan Net Position | (168,188) |
| Net Position Restricted for Pension Benefits | |
| Beginning of Year | 1,786,409 |
| End of Year | $ 1,618,221 |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Combining Balance Sheet
Component Units
As of December 31, 2018
(In Thousands)

| | Milwaukee Public Museum | War Memorial | Marcus Center | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Current Assets: | | | | |
| Cash and Investments | $ 2,123 | $ 1,562 | $ 3,666 | $ 7,351 |
| Accounts Receivable | 1,161 | 34 | 364 | 1,559 |
| Other Receivables | - | 74 | 60 | 134 |
| Inventories | 43 | - | 34 | 77 |
| Prepaid Items | 180 | 46 | 125 | 351 |
| Total Current Assets | 3,507 | 1,716 | 4,249 | 9,472 |
| Noncurrent Assets: | | | | |
| Long-Term Investments | 6,134 | - | - | 6,134 |
| Accounts Receivable | 837 | 37 | - | 874 |
| Other | - | - | 2,754 | 2,754 |
| Capital Assets (Net): | | | | |
| Construction in Progress | 20 | - | - | 20 |
| Building and Improvements | 20,848 | - | 31,542 | 52,390 |
| Machinery, Vehicles and Equipment | 13,266 | 12,911 | 1,851 | 28,028 |
| Less: Accumulated Depreciation | (21,856) | (583) | (20,577) | (43,016) |
| Total Capital Assets (Net) | 12,278 | 12,328 | 12,816 | 37,422 |
| Total Noncurrent Assets | 19,249 | 12,365 | 15,570 | 47,184 |
| Total Assets | $ 22,756 | $ 14,081 | $ 19,819 | $ 56,656 |
| **Liabilities** | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | $ 533 | $ 38 | $ 428 | $ 999 |
| Accrued Liabilities | 704 | 87 | 544 | 1,335 |
| Accrued Interest Payable | 5 | - | - | 5 |
| Unearned Revenues | 1,224 | 196 | 545 | 1,965 |
| Bonds and Notes Payable | 320 | - | 390 | 710 |
| Other Current Liabilities | 852 | - | 105 | 957 |
| Accrued Pension and Postretirement Benefits | 165 | - | - | 165 |
| Total Current Liabilities | 3,803 | 321 | 2,012 | 6,136 |
| Noncurrent Liabilities: | | | | |
| Bonds and Notes Payable | - | - | 4,152 | 4,152 |
| Other Noncurrent Liabilities | - | 3 | - | 3 |
| Accrued Pension and Postretirement Benefits | 4,536 | - | - | 4,536 |
| Total Noncurrent Liabilities | 4,536 | 3 | 4,152 | 8,691 |
| Total Liabilities | 8,339 | 324 | 6,164 | 14,827 |
| **Net Position** | | | | |
| Net Investment in Capital Assets | 11,958 | 12,328 | 8,274 | 32,560 |
| Restricted | 8,072 | 161 | - | 8,233 |
| Unrestricted (Deficit) | (5,613) | 1,268 | 5,381 | 1,036 |
| Total Net Position | 14,417 | 13,757 | 13,655 | 41,829 |
| Total Liabilities and Net Position | $ 22,756 | $ 14,081 | $ 19,819 | $ 56,656 |

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

# COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Revenues, Expenses, and Changes in Net Position
Component Units
For the Year Ended December 31, 2018
(In Thousands)

| | Milwaukee Public Museum | War Memorial | Marcus Center | Total |
|---|---|---|---|---|
| Revenues: | | | | |
| Charges for Services: | | | | |
| Contributions and Memberships | $ 5,422 | $ 198 | $ 637 | $ 6,257 |
| Other | 3,229 | 120 | 5,698 | 9,047 |
| Rents | 296 | 481 | 1,634 | 2,411 |
| Other | 764 | 673 | 1,169 | 2,606 |
| Total Revenues | 9,711 | 1,472 | 9,138 | 20,321 |
| Operating Expenses: | | | | |
| Parks, Recreation and Culture | 14,379 | 2,110 | 10,076 | 26,565 |
| Operating Income (Loss) | (4,668) | (638) | (938) | (6,244) |
| Nonoperating Revenues (Expenses): | | | | |
| County Program Support | 3,500 | 486 | 875 | 4,861 |
| Interest and Gains/(Losses) on Investments | 433 | - | 84 | 517 |
| Pension and Post-retirement benefit | 876 | - | - | 876 |
| Gain (Loss) on Sale of Capital Assets | - | - | (8) | (8) |
| Other | (98) | - | - | (98) |
| Total Nonoperating Revenues (Expenses) | 4,711 | 486 | 951 | 6,148 |
| Changes in Net Position | 43 | (152) | 13 | (96) |
| Net Position -- Beginning | 14,374 | 13,909 | 13,642 | 41,925 |
| Net Position -- Ending | $ 14,417 | $ 13,757 | $ 13,655 | $ 41,829 |

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

# NOTES TO THE BASIC FINANCIAL STATEMENTS

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

## Note 1 - Summary of Significant Accounting Policies

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

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

### A. The Reporting Entity

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

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

**Component Units**

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

## Note 1 - Summary of Significant Accounting Policies (cont'd)

### A. The Reporting Entity (cont'd)

relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

The County has no blended component units to report. The County has three major discretely presented component units which are described below.

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

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

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

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

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

**Marcus Center for the Performing Arts ("Marcus Center")** is a non-stock, non-profit corporation based in Wisconsin that offers performance facilities, various services to a wide

## Note 1 - Summary of Significant Accounting Policies (cont'd)

### A. The Reporting Entity (cont'd)

range of performing arts, and a parking structure. The Marcus Center is home to the Milwaukee Symphony Orchestra, the Milwaukee Ballet Company, the Milwaukee Youth Symphony Orchestra, the Florentine Opera Company, First Stage Milwaukee, and other special arts groups, ethnic and cultural festivals and community concerts. The Marcus Center operates as a separate reporting entity and has combined all of its related funds into one set of financial statements. A twenty-five member Board of Directors governs the Marcus Center. Three members of the Board are appointed by the County Executive and are confirmed by the County Board of Supervisors.

On August 12, 2015, the State of Wisconsin passed Wisconsin Act 60; the legislation states that under Section 115 of Nonstatutory Provisions, the Marcus Center property can be transferred to the local exposition district ("Wisconsin Center District"). This transfer shall take effect upon adoption of a resolution by the Wisconsin Center District Board requesting the transfer, at which point a written proclamation of support from the County Executive would be needed to complete the transfer of the property. On April 4, 2018, the language transferring the Marcus Center property from Milwaukee County to the Wisconsin Center District was removed under Wisconsin Act 205.

The Marcus Center is reported as a discretely presented component unit of the County because the County owns the majority of the economic resources (the building), provides annual appropriations, and issues general obligation corporate purpose bonds to finance certain improvements. As a result, the Marcus Center is fiscally dependent and has the ability to impose specific financial burdens on the County. Also, even though the County does not appoint the majority of the Board of Directors, excluding the Marcus Center would render the County's financial statements incomplete or misleading. The Marcus Center has a fiscal year ending June 30th.

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

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

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

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

**Related Organizations**

**The Milwaukee County Federated Library System ("MCFLS")** is a membership organization comprised of the fifteen administratively autonomous and fiscally independent public libraries in Milwaukee County. MCFLS assumes a leadership role in facilitating cooperation among its member libraries, improving access to and encouraging sharing of resources, promoting the most effective use of local, county, state and federal funds and assisting member libraries in the utilization of current and evolving technologies to provide the highest possible level of library

## Note 1 - Summary of Significant Accounting Policies (cont'd)

### A. The Reporting Entity (cont'd)

service to all County residents. The County Executive is responsible for appointing the seven-member board of MCFLS but the County's accountability for MCFLS does not extend beyond making the appointments. In accordance with State Statute s.43.19(1)(a) at least one but not more than two County Board Supervisor(s) shall be members of the system board at any one time.

**Milwaukee Regional Innovation Center, Inc. ("MRIC")** is a community for entrepreneurs that provides the environment, the support, and the resources for innovation. The MRIC board is composed of fifteen members of whom: four are appointed from area academic institutions; six at-large members are elected by the MRIC board and are confirmed by the County Board; two are appointed by the County Executive; two are appointed by the County Board Chairperson; and one is appointed by the Mayor of the City of Wauwatosa. If MRIC were to dissolve, its remaining assets (after debt and liability payments) would be given back to the County to benefit the public.

### B. Measurement Focus and Basis of Accounting

**Government-wide Financial Statements**

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

## Note 1 - Summary of Significant Accounting Policies (cont'd)

## B. Measurement Focus and Basis of Accounting (cont'd)

charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

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

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

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

**All Financial Statements**

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

**Governmental Funds**

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

## Note 1 - Summary of Significant Accounting Policies (cont'd)

## B. Measurement Focus and Basis of Accounting (cont'd)

the current period.

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

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

**Proprietary Funds**

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

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Proprietary fund operating expenses result from providing services as well as 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

## Note 1 - Summary of Significant Accounting Policies (cont'd)

### B. Measurement Focus and Basis of Accounting (cont'd)

resources of these funds are not available to support the County's own programs. Trust funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Agency funds report only assets and liabilities and therefore do not have a measurement focus; however, agency funds use the accrual basis of accounting to recognize receivables and payables.

### C. Basis of Presentation

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

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

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

The County presents the following **major governmental funds:**

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

- **Debt Service Fund** accounts for and reports the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt.

- **Capital Projects Fund** accounts for and reports the financial resources that are restricted, committed or assigned for the acquisition or construction of major capital facilities and other capital assets.

The County presents the following **major proprietary funds**:

- **Airports Fund** accounts for the operations of General Mitchell International Airport and Timmerman Airport. Airport passenger facility charges and related capital

## Note 1 - Summary of Significant Accounting Policies (cont'd)

### C. Basis of Presentation (cont'd)

expenditures are not accounted for in the airport's enterprise fund but are accounted for as a special revenue fund.

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

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

- **Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The specific purpose of each fund is as follows:

  ◊ **Zoo** - used for maintenance and repairs of the miniature passenger train and the zoomobile, conservation, maintaining and expanding the library, employee's travel, animal acquisitions and specimens for the Milwaukee County Zoo.

  ◊ **Parks** - used for the repair, restoration and enhancement of the various parks throughout Milwaukee County.

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

  ◊ **Behavioral Health Division** - used for mental health research, patient activities and special events, funding for youth and young adults with severe mental health needs. It is also used for compensated absence payouts for Behavioral Health Division retirees.

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

  ◊ **Administrative Services** – used by Risk Management for employee health and safety issues. It also includes pension stabilization established with $6,500 in 2009 with issuance of Pension Liability funds for County ERS, under state statute.

## Note 1 - Summary of Significant Accounting Policies (cont'd)

### C. Basis of Presentation (cont'd)

◊ **Public Works** - used for compensated absence payouts for retirees from the Fleet Maintenance and Facilities Management divisions.

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

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

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

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

### 1. Deposits and Investments

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

The resources of the Special Revenue funds, the Agency funds, the Pension Trust fund, and the Transit fund are restricted and are not available to the County to finance its operations. Deposits and investments of the Airports Trust are held separately from those of other County funds due to Revenue Bond restrictions. Deposits and investments of the Transit fund are held in separate accounts with Milwaukee Transport Services, Inc., a non-profit corporation. Deposits and investments of the Pension Trust fund are held in separate accounts with Employees' Retirement System. Deposits and investments of the Agency Funds are held separately from those of other County funds

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

## Note 1 - Summary of Significant Accounting Policies (cont'd)

## D. Assets / Deferred Outflows of Resources, Liabilities / Deferred Inflows of Resources and Net Position or Equity (cont'd)

### 1. Deposits and Investments (cont'd)

securities issued or guaranteed as to principal and interest by the Federal government, and local government pooled investment funds. In addition, the Pension Board, as administrator of the Pension Trust Fund is authorized to invest in all types of investments deemed appropriate.

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

Additional information is provided in Note 3.

### 2. Receivables

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

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

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

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

Delinquent property tax receivables is initially comprised of the unpaid property taxes that the County purchases from other taxing authorities within the County, except the City of Milwaukee, to facilitate the collection of taxes. The County’s portion of uncollected property taxes within the boundaries of the City of Milwaukee is sold to the City each year. Interest, penalties and other special charges are added to the delinquent property tax receivables subsequent to the purchases. The purchases are a financing arrangement.

The municipalities portion that is not collectable within sixty days of year-end is reflected as a reservation of fund balance at year-end for amounts considered unavailable. The County's portion of delinquent property taxes, accrued interest and penalties that is not collectable within

## Note 1 - Summary of Significant Accounting Policies (cont'd)

## D. Assets / Deferred Outflows of Resources, Liabilities / Deferred Inflows of Resources and Net Position or Equity (cont'd)

### 2. Receivables (cont'd)

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

Additional information is provided in Note 4.

### 3. Inventory, Prepaid Items and Insurance Deposits

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. As of December 31, 2018 Milwaukee County has prepaid items totaling $1,455.

Milwaukee County offers its employees the option to participate in flexible spending account plans for eligible health and daycare expenses which are administered by a third party; as of December 31, 2018 $218 is on deposit.

Milwaukee County has self-funded health and prescription insurance plans administered by a third party. A requirement of the self-funded plans is that the County must maintain deposits with this third party manager; as of December 31, 2018 $3,173 is on deposit.

### 4. Restricted Assets

Certain proceeds of the Deposits and Investments area are considered restricted as explained earlier in Note 1, section D, item 1. At the end of 2018, these restricted assets consisted of Capital Project reserves, Airports reserves and unspent revenue bond proceeds, and Airport Passenger Facility Charge revenues. Restricted assets are not available to the County to finance its operations.

**Capital Projects**: Bond proceeds of $29,303 are held for various capital projects for the Courthouse and other governmental facilities, Parks and other recreational areas, and Highway and related transportation assets and infrastructure.

**Airports:** Certain proceeds of the Airports enterprise fund revenue bonds, as well as certain resources set aside for repayment are maintained in separate bank accounts and their use is limited by applicable bond covenants. At the end of 2018, the restricted asset balance of $23,668 consists of $18,356 of reserves under Airport Revenue Bond covenants and $5,312 of 2006, 2009, 2010 and 2013 unspent revenue bond proceeds.

The Airport Revenue Bond Interest and Principal Account are used to segregate resources accumulated for the semi-annual debt service payments. The Airport Revenue Bond Debt Service Reserve Account is used to report resources set aside to make up for any future deficiencies that may occur in the Airport Revenue Bond Principal and Interest Account. In addition, Airport Revenue Bond covenants require that fund equity be reserved for Debt Coverage, and Operations and Maintenance Reserves. The Debt Coverage Reserve Account

## Note 1 - Summary of Significant Accounting Policies (cont'd)

## D. Assets / Deferred Outflows of Resources, Liabilities / Deferred Inflows of Resources and Net Position or Equity (cont'd)

### 4. Restricted Assets (cont'd)

and the Operations and Maintenance Reserve Account are used to report resources set aside to subsidize potential deficiencies from the Airport operation that could adversely affect debt service payments. When both restricted and unrestricted resources are available to make certain payments, the County uses unrestricted resources to liquidate payments first.

**Airport Special Revenue Fund:** Restricted Assets for the Airport Special Revenue Fund at the end of 2018 amount to $44,839 which consists of $40,360 for passenger facility charges allocated and $4,479 for contributed assets. Passenger facility charges are collected by the Airport and are used for capital projects or repayment of bonds for approved capital projects. The passenger facility charges are accounted for in a separate Special Revenue Fund.

### 5. Capital Assets / Other Assets

**Government-wide Statements**

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

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

Property, plant, equipment, and infrastructure of the primary government and its component units are depreciated using the straight-line method over the following estimated useful lives: Buildings - 40 years, Building Improvements - 12-20 years, Furniture and Fixtures - 10 years, Infrastructure - 20-30 years, Machinery and Equipment - 5-15 years, and Vehicles and Related Equipment - 5-12 years.

The County owns a collection of zoo animals and a collection of museum historical artifacts which meet the definition of a capital asset and normally should be capitalized and reported in the financial statements. However, the requirement of capitalization is waived for collections meeting all of the following conditions: 1) the collection is held for reasons other than financial gain, 2) the collection is protected, kept unencumbered, cared for, and preserved, and 3) the collection is subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for collections. The County has elected not to capitalize the collection of museum historical artifacts because these assets meet the criteria

## Note 1 - Summary of Significant Accounting Policies (cont'd)

## D. Assets / Deferred Outflows of Resources, Liabilities / Deferred Inflows of Resources and Net Position or Equity (cont'd)

### 5. Capital Assets / Other Assets (cont'd)

stated above that qualify the collections for exemption from the capitalization requirement.

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

**Fund Financial Statements**

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

Additional information is provided in Note 5.

### 6. Compensated Absences

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

In the event of termination or retirement, employees are paid for unused vacation, personal days, holiday and overtime hours; however, if an employee has less than one year of service or is discharged for cause, all unused balances are forfeited. Unused sick leave hours are forfeited upon termination other than retirement. Based upon their prior bargaining unit affiliation and date of hire, a retiring employee may be entitled to either a full or partial cash payout or full credit for post-retirement health care costs of their eligible sick leave hours. The County eliminated the cash payout/health care credit at retirement for any sick leave hours accrued after June 24, 2012 for certain union and non-represented employees. Retiree sick leave cash payouts are $1,054 and health care credits are $224 in 2018.

Vacation, eligible sick leave, holiday and overtime hours earned and vested by active employees are accrued in the government-wide and proprietary fund financial statements. The short-term portions of compensated absences, primarily vacation, holiday, and overtime, is classified as current liabilities; for the governmental activities and the business-type activities, the short-term portion is $20,087 and $2,931, respectively. The long-term portions of

## Note 1 - Summary of Significant Accounting Policies (cont'd)

## D. Assets / Deferred Outflows of Resources, Liabilities / Deferred Inflows of Resources and Net Position or Equity (cont'd)

### 6. Compensated Absences (cont'd)

compensated absences, primarily for eligible sick leave payable upon retirement, is classified as compensated absences; for the governmental activities and the business-type activities, the long-term portion is $8,961 and $8,990, respectively. The $2,807 paid to employees in the governmental fund types within 60 days after year-end is recorded as a liability and as an expense in the governmental fund financial statements.

Additional information is provided in Note 8.

### 7. Long-Term Obligations

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

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

Additional information is provided in Note 8.

### 8. Deferred Outflows of Resources

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

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

### 9. Deferred Inflows of Resources

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

## Note 1 - Summary of Significant Accounting Policies (cont'd)

## D. Assets / Deferred Outflows of Resources, Liabilities / Deferred Inflows of Resources and Net Position or Equity (cont'd)

### 10. Equity Classifications

**Government-wide Statements**

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

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

- **Restricted Net Position** – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

- **Unrestricted Net Position** - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources, as they are needed.

**Fund Statements**

In the governmental fund financial statements, fund balance is displayed in the following classifications that are based on the spending constraints placed on the resources:

- **Nonspendable Fund Balance** – amounts that are not in a spendable form (such as inventory).

- **Restricted Fund Balance** – amounts constrained to specific purposes by their providers (such as grantors, bondholders, or higher levels of government).

- **Committed Fund Balance** – amounts constrained to specific purposes as approved or rescinded in a Board Resolution, and in compliance with State Statute.

- **Assigned Fund Balance** – amounts constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the legislative, executive branch or an official of the County to which the governing body has assigned this authority. As adopted May 17, 2012 on Board Resolution 12-418, generally, final intent is authorized through the County resolution approved by the County Board and County Executive. The Comptroller shall ensure that there are

## Note 1 - Summary of Significant Accounting Policies (cont'd)

## D. Assets / Deferred Outflows of Resources, Liabilities / Deferred Inflows of Resources and Net Position or Equity (cont'd)

### 10. Equity Classifications (cont'd)

adequate funds in the department prior to the encumbering of any funds. The County has restrictions against, and does not presently have, any Assigned Fund Balance.

- **Unassigned Fund Balance** – amounts included in the residual classification for the General Fund that have not been restricted, committed, or assigned to specific purposes. The County has restrictions against, and does not presently have, any Unassigned Fund Balance.

The County considers restricted resources to be spent first and then unrestricted resources unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

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

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

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

### 11. Allowance for Doubtful Accounts

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

BHD, DHHS, and DPW adjust revenue in the current year of operations for the difference between amounts billed (or loans made) and expected reimbursement. In as much as the adjustment is an estimate, any difference between the amount accrued and the amount settled is recorded in operations in the year of settlement. As of December 31, 2018, the total

## Note 1 - Summary of Significant Accounting Policies (cont'd)

## D. Assets / Deferred Outflows of Resources, Liabilities / Deferred Inflows of Resources and Net Position or Equity (cont'd)

### 11. Allowance for Doubtful Accounts (cont'd)

allowance for BHD, DHHS, and DPW is $19,551. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectable as reported at December 31, 2018. All allowances are netted against receivables for financial statement presentation.

Additional information is provided in Note 4.

### 12. Capitalization of Interest

Interest is capitalized on assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting debt interest expense incurred from the date of the borrowing until completion of the project, with interest earned on invested, unspent debt proceeds over the same period. During 2018, the net amount of capitalized interest is $164.

### 13. Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U. S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The County uses the “revenue reduction” approach in accounting for rebateable arbitrage. This approach treats excess earnings as a reduction of revenue. There is no liability for rebateable arbitrage as of December 31, 2018.

### 14. Landfill Post-Closure Costs

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

Additional information is provided in Note 8.

### 15. Pollution Remediation Costs

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

Additional information is provided in Note 8.

## Note 1 - Summary of Significant Accounting Policies (cont'd)

## D. Assets / Deferred Outflows of Resources, Liabilities / Deferred Inflows of Resources and Net Position or Equity (cont'd)

### 16. Capital Contributions

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

### 17. Unearned and Unavailable Revenues

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

### 18. Net Pension Liability (Asset)

Pension expenditures of governmental fund types are recognized on the modified accrual basis, which means that the amount of pension expense recognized is equal to the amount contributed to the plan or expected to be liquidated with expendable available financial resources. In the government-wide and proprietary financial statements, pension expense is the annual change in the net pension liability (asset) adjusted for certain other changes in the net pension liability (asset) which are amortized over the average expected remaining service lives of plan participants or five years.

Additional information is provided in Note 15.

### 19. Encumbrances

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

## Note 1 - Summary of Significant Accounting Policies (cont'd)

## D. Assets / Deferred Outflows of Resources, Liabilities / Deferred Inflows of Resources and Net Position or Equity (cont'd)

### 19. Encumbrances (cont'd)

The 2018 encumbrance, carryover and commitment balances by fund are:

| | Encumbrances | Carryovers | Other | Total Commitments |
|---|---|---|---|---|
| General Fund | $ 19,287 | $ (8,896) | $ 678 | $ 11,069 |
| Capital Projects | 37,913 | (2,279) | (1,133) | 34,501 |
| Internal Service Funds | 1,740 | - | - | 1,740 |
| Airports | 4,226 | - | - | 4,226 |
| Transit | 629 | - | - | 629 |
| Totals | $ 63,795 | $ (11,175) | $ (455) | $ 52,165 |

### 20. Claims and Judgments

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

Additional information is provided in Note 8.

### 21. Other Post Employment Benefit Obligations

Other Post Employment Benefit (OPEB) expenditures of governmental fund types are recognized on the modified accrual basis, which means that the amount of OPEB expense recognized is equal to the amount contributed to the plan or expected to be liquidated with expendable available financial resources. In the government-wide and proprietary financial statements, OPEB expense is the annual change in the OPEB liability adjusted for certain other changes in the OPEB liability which are amortized over its average expected remaining service lives of plan participants or five years.

For 2018, Milwaukee County has adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75). GASB 75 represents a significant change to the reporting requirements for OPEB plans, by establishing the full value of the OPEB Liability, which is an actuarially calculated amount representing the OPEB benefits accrued by current employees and retirees of the County and Transit. The previous requirements were based on a funding perspective.

Certain estimates and assumptions are involved with the calculation and actual results may differ. The impact of differences between estimates and actual results are presented as deferred inflows of resources or deferred outflows of resources. These will be applied in the calculation of the OPEB expense and impact the liability over time, to reduce the volatility created by items such as investment performance.

Additional information is provided in Note 14.

## Note 1 - Summary of Significant Accounting Policies (cont'd)

### E. Governmental Accounting Standards for 2018

In fiscal year 2018, the County implemented the following GASB's, however the implementation of these standards did not have an effect on the current year financial statements except for GASB Statement No. 75 which restated beginning net position:

- **GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*,** was implemented by the County effective January 1, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

- **GASB Statement No. 82**, ***Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*,** was implemented by the County effective January 1, 2018. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans,* No. 68*, Accounting and Financial Reporting for Pensions,* and No. 73*, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, *and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee contribution requirements.

- **GASB Statement No. 85,** *Omnibus 2017*, was implemented by the County effective January 1, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

- **GASB Statement No. 86, *Certain Debt Extinguishment Issues***, was implemented by the County effective January 1, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

## 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 Services ("DAS"), acting as staff for the County Executive, reviews the requests in detail with the departments during June, July and August. After DAS has finalized their changes to the budget requests, the County Executive submits his proposed Executive Budget to the Board of Supervisors. County Ordinance requires that this be done on or before October 1. The Board of Supervisors must complete its review and adopt the budget on or before the first Tuesday after the second Monday in November.

All adopted budgets for the governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance restriction for 2018 appropriations and encumbrances. For budget purposes, encumbrances are recorded as expenditures as opposed to a restriction of fund balance.

The Board of Supervisors legally adopts annual budgets for the general, debt service, capital projects, enterprise and internal service funds. The legal level of budgetary control is by department. For budget purposes, the Debt Service and Capital Projects Funds are considered departments.

Once the budget is adopted, transfers of appropriations among departments require approval by the Board of Supervisors and are permitted only during the last three months of the year. Supplemental appropriations for the purpose of public emergencies may be made from unanticipated revenues received or surplus earned, as defined by resolution adopted by a vote of two-thirds of the members of the Board of Supervisors. Supplemental appropriations from the issuance of tax anticipation notes require an affirmative vote of three-fourths of the members of the Board of Supervisors. No supplemental appropriations were approved during 2018 for emergencies or utilizing tax anticipation notes.

### Budgetary Basis of Accounting

The “Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - General Fund - (Non-GAAP Budgetary Basis)” is prepared on a basis consistent with the legally adopted budget. Under this method, encumbrances outstanding are charged to budgetary appropriations and considered as expenditures of the current period. In the Non-GAAP Budgetary Basis statements, principal and interest payments on pension liability bonds are considered a departmental personnel service appropriation and are reflected as an expenditure, instead of a debt service fund operating transfer under other financing sources (uses). The “Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds” is prepared on a basis consistent with GAAP. Under this method, encumbrances are considered a restriction of fund balance and charged to expenditures in the period in which goods or services are received.

## Note 2 - Stewardship, Compliance and Accountability (cont'd)

The reconciliation of the General Fund is as follows:

| | Revenues | Expenditures | Other Financing Sources (Uses) |
|---|---|---|---|
| GAAP Basis | $ 804,311 | $ 698,122 | $ (110,021) |
| Encumbrances | - | 19,287 | - |
| Transfers to Component Units | - | (6,569) | (6,569) |
| **Non-GAAP Budgetary Basis** | **$ 804,311** | **$ 710,840** | **$ (116,590)** |

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

**Deficit Fund Net Position**

The Information Management Services Internal Service Fund and the Risk Management Internal Service Fund have a net position ending balance of $(8,774) and $(957), respectively, as of December 31, 2018. The net liabilities were due to the recognition and reporting of the net pension liability associated with each fund. The County will continue to pay down the net pension liability through contributions to the pension plan for prior service liabilities which will reduce the deficit net position in both of these funds.

**County Tax Rate Limit**

Wisconsin State Statute (s.59.605) imposes a limit on the property tax rate that the County can impose upon its citizens. Wisconsin State Statute (s.66.0602), 2011 Wisconsin Act 32, changed the local levy limit to the greater of the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current year or zero percent. For the 2018 Budget, the levy limit consists of net new construction which is 1.38%. The limit also contains adjustments for levy for debt service payments, Emergency Medical Services and terminated tax increment districts.

## Note 3 - Deposits and Investments

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

## Note 3 - Deposits and Investments (cont'd)

which may be transferred to the primary account as warranted.

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

| | | |
|---|---|---|
| **Statement of Net Position:** | | |
| Cash and Investments | $ | 281,693 |
| Cash and Investments - Restricted | | 97,810 |
| **Subtotal County** | | **379,503** |
| **Statement of Fiduciary Net Position:** | | |
| Cash and Investments: | | |
| Pension Trust Fund | | 1,621,014 |
| Agency Fund | | 17,803 |
| **Subtotal Fiduciary** | | **1,638,817** |
| **Total** | **$** | **2,018,320** |
| **County and Agency:** | | |
| Deposits | $ | 95,344 |
| Investments | | 301,962 |
| **Pension:** | | |
| Deposits | | 48,264 |
| Investments | | 1,572,750 |
| **Total** | **$** | **2,018,320** |

### PRIMARY GOVERNMENT - COUNTY AND AGENCY

### Cash Deposits

The carrying amount of the County's deposits at December 31, 2018 is $95,344 and the bank balance is $106,532. The primary differences between the carrying value and bank balances are outstanding checks, deposits not yet processed by the banks and Petty Cash on hand.

### Custodial Credit Risk - Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to cover collateral securities that are in the possession of an outside entity. All time and savings deposits (includes NOW accounts and money market deposits) held in an insured depository institution within the State of Wisconsin are added together and insured, by FDIC, up to $250. Separately, all demand deposit accounts (includes interest-bearing and noninterest-bearing deposits) held in an insured depository institution within the State of Wisconsin are added together and insured, by FDIC, up to $250. In addition, if the depository institution is outside of the State of Wisconsin, both time and savings deposits and demand deposits are added together and insured up to $250. The State Deposit Guarantee Fund insures deposits up to a total of $400 per entity, not per banking institution. Of the $106,532 of deposits with financial institutions, $1,801 is covered by Federal depository insurance and State governmental

## Note 3 - Deposits and Investments (cont'd)

insurance, subject to availability of funds in the State's Deposit Guarantee Fund, $104,731 is collateralized with government securities held in a separate financial institution in the County's name, and there is no balance that is uninsured, uncollateralized, or exposed to custodial credit risk.

**Investments**

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

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

- Time and other money market deposits of banks, trust companies, savings and loans, and credit unions.
    - ◊ Deposits over the Federal Deposit Insurance Corporation ("FDIC") insured amount are to be fully collateralized with an acceptable form of collateral, surety, or other guarantee assuring the principal repayment to Milwaukee County.
    - ◊ CDARS – Certificates of Deposit Account Registry Service, a placement service in which a member institution uses CDARS to place funds into Certificate of Deposits ("CD's") issued by banks that are members of the network. This occurs in increments below the standard FDIC insurance coverage maximum, allowing for coverage of principal and interest.
    - ◊ ADM – American Deposit Management, CD placement service and other depository placement services.
- U.S. Treasury obligations, government agency securities, and Government Sponsored Enterprise ("GSE").

## Note 3 - Deposits and Investments (cont'd)

- Municipal Securities including general obligation bonds, essential service bonds rated AA or higher, or securities of any county, city, drainage district, vocational, technical and adult education district, village, town or school district of the State of Wisconsin.

- State of Wisconsin Investment Board's Local Government Investment Pool.

- Repurchase Agreements ("Repos"). Investment agreements pursuant to which a federal or state credit union, federal or state savings and loans association, state bank, savings and trust company, mutual savings bank, or national bank in the State of Wisconsin agrees to repay funds advanced to it by the issuer, plus interest. Repos are to be secured by investments securities fully guaranteed by the U.S. government.

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

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

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

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

The County has one futures brokerage relationship to facilitate the purchase and sale of diesel futures contracts in conjunction with the hedging program. In its normal course of operations, the Transit System enters into exchange-traded futures contracts for diesel fuel as a hedge for its diesel fuel purchases. The collateral held with the broker at December 31, 2018 is $540.

## Note 3 - Deposits and Investments (cont'd)

The maximum loss that would be recognized at the reporting date if the broker failed to perform as contracted is $152. The aggregate fair value of these hedging derivative instruments (futures contracts) at December 31, 2018 is $388, resulting in no credit risk to the County. This broker is not rated. The County is exposed to basis risk on the hedging derivative instruments because the expected commodity purchase being hedged will price based on a pricing point different than the pricing point at which the futures contract is expected to settle.

As of December 31, 2018, the County and Agency investment types are as follows:

| Investment Type | Fair Value |
|---|---|
| Commercial Paper- Discounted | $ 3,170 |
| Corporate Bonds | 11,041 |
| Corporate Paydown Securities (CMO) | 5,288 |
| F F C B Deb | 16,814 |
| F H L B Deb | 13,632 |
| F H L M C | 36,950 |
| F H L M C Deb | 5,971 |
| F N M A | 36,432 |
| F N M A Deb | 1,483 |
| F N M A Gtd | 1,665 |
| First Amer Treas Oblig FD Cl D | 17,610 |
| Foreign Corporate Bonds | 2,549 |
| Foreign Gov't Obligations | 3,941 |
| Futures Hedge | 540 |
| G N M A I I | 11,894 |
| G N M A Gtd | 1,259 |
| LGIP | 57,032 |
| Money Market | 3,816 |
| Municipal Bonds | 14,096 |
| S B A Gtd Dev | 1,886 |
| S B A Gtd Ln | 7,933 |
| U.S. Treasury Obligations | 46,960 |
| Total | $ 301,962 |

## Note 3 - Deposits and Investments (cont'd)

### Custodial Credit Risk - Investments

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

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

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

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

### Interest Rate Risk - Investments

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

## Note 3 - Deposits and Investments (cont'd)

As of December 31, 2018, the County and Agency investments subject to interest rate risk are as follows:

| | | Years | | | |
|---|---|---|---|---|---|
| **Investment Type** | **Fair Value** | **Less than 1** | **1 - 5** | **6 - 10** | **More than 10** |
| Commercial Paper- Discounted | $ 3,170 | $ 3,170 | $ - | $ - | $ - |
| Corporate Bonds | 11,041 | 594 | 10,447 | - | - |
| Corporate Paydown Securities (CMO) | 5,288 | - | 3,783 | 1,505 | - |
| F F C B Deb | 16,814 | 8,922 | 7,892 | - | - |
| F H L B Deb | 13,632 | 9,196 | 4,436 | - | - |
| F H L M C | 36,950 | 7,179 | 13,941 | 792 | 15,038 |
| F H L M C Deb | 5,971 | 5,971 | - | - | - |
| F N M A | 36,432 | 9,734 | 1,071 | 8,168 | 17,459 |
| F N M A Deb | 1,483 | - | 1,483 | - | - |
| F N M A Gtd | 1,665 | 35 | 1,564 | - | 66 |
| First Amer Treas Oblig FD Cl D | 17,610 | 17,610 | - | - | - |
| Foreign Corporate Bonds | 2,549 | - | 2,549 | - | - |
| Foreign Gov't Obligations | 3,941 | - | 3,941 | - | - |
| Futures Hedge | 540 | 540 | - | - | - |
| G N M A I I | 11,894 | - | 170 | 1,432 | 10,292 |
| G N M A Gtd | 1,259 | - | - | - | 1,259 |
| Money Market | 3,816 | 3,816 | - | - | - |
| Municipal Bonds | 14,096 | 6,245 | 7,851 | - | - |
| S B A Gtd Dev | 1,886 | - | 1,073 | 813 | - |
| S B A Gtd Ln | 7,933 | - | 963 | 14 | 6,956 |
| U.S. Treasury Obligations | 46,960 | 155 | 46,805 | - | - |
| | $ 244,930 | $ 73,167 | $ 107,969 | $ 12,724 | $ 51,070 |
| Not subjected to interest rate risk: | | | | | |
| LGIP | 57,032 | | | | |
| Total investments | $ 301,962 | | | | |

### Credit Risk - Investments

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

## Note 3 - Deposits and Investments (cont'd)

As of December 31, 2018, the County and Agency investments' credit quality ratings are as follows:

| Investment Type | Fair Value | Standard & Poor's | Moody's Investor Services |
|---|---|---|---|
| Commercial Paper- Discounted | $ 3,170 | N/R | N/R |
| Corporate Bonds | 982 | A | A1 |
| Corporate Bonds | 985 | A+ | A1 |
| Corporate Bonds | 1,115 | AA | Aa2 |
| Corporate Bonds | 758 | AA- | Aa3 |
| Corporate Bonds | 594 | AA+ | Aa1 |
| Corporate Bonds | 1,853 | AAA | Aaa |
| Corporate Bonds | 4,754 | N/R | N/R |
| Corporate Paydown Securities (CMO) | 492 | AA+ | Aaa |
| Corporate Paydown Securities (CMO) | 3,291 | AA+ | N/A |
| Corporate Paydown Securities (CMO) | 1,505 | N/A | N/A |
| F F C B Deb | 16,814 | AA+ | Aaa |
| F H L B Deb | 13,632 | AA+ | Aaa |
| F H L M C | 17,000 | AA+ | Aaa |
| F H L M C | 19,951 | N/A | N/A |
| F H L M C Deb | 5,971 | AA+ | Aaa |
| F N M A | 10,805 | AA+ | Aaa |
| F N M A | 25,627 | N/A | N/A |
| F N M A Deb | 1,483 | AA+ | Aaa |
| F N M A Gtd | 1,665 | N/A | N/A |
| First Amer Treas Oblig FD Cl D | 17,610 | N/R | N/R |
| Foreign Corporate Bonds | 1,678 | A+ | Aa2 |
| Foreign Corporate Bonds | 871 | AA- | Aa1 |
| Foreign Gov't Obligations | 3,940 | AAA | Aaa |
| Futures Hedge | 540 | N/A | N/A |
| G N M A I I | 11,894 | N/A | N/A |
| G N M A Gtd | 1,259 | N/A | N/A |
| LGIP | 57,032 | N/A | N/A |
| Money Market | 3,816 | N/R | N/R |
| Municipal Bonds | 358 | AA | Aa1 |
| Municipal Bonds | 390 | AA | N/A |
| Municipal Bonds | 1,762 | AA- | Aa2 |
| Municipal Bonds | 2,827 | AA- | Aa3 |
| Municipal Bonds | 7,244 | AAA | Aaa |
| Municipal Bonds | 1,263 | N/A | Aa1 |
| Municipal Bonds | 252 | N/A | Aa3 |
| S B A Gtd Dev | 1,886 | N/A | N/A |
| S B A Gtd Ln | 7,933 | N/A | N/A |
| U.S. Treasury Obligations | 46,960 | N/A | Aaa |
| Total | $ 301,962 | | |

## Note 3 - Deposits and Investments (cont'd)

**Fair Value Measurements - Investments**

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

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

As of December 31, 2018, the County and Agency investments' fair value measurements are as follows:

| | | Fair Value Measurements Using: | | |
|---|---|---|---|---|
| **Investments by Fair Value:** | **12/31/2018** | **Quoted Prices in Active Markets for Identical Assets (Level 1)** | **Significant Other Observable Inputs (Level 2)** | **Significant Unobservable Inputs (Level 3)** |
| Corporate Bonds | $ 11,041 | $ - | $ 11,041 | $ - |
| F F C B Deb | 16,814 | - | 16,814 | - |
| F H L B Deb | 13,632 | - | 13,632 | - |
| F H L M C | 36,950 | - | 36,950 | - |
| F H L M C Deb | 5,971 | - | 5,971 | - |
| F N M A | 36,432 | - | 36,432 | - |
| F N M A Deb | 1,483 | - | 1,483 | - |
| F N M A Gtd | 1,665 | - | 1,665 | - |
| Futures Hedge | 540 | - | - | 540 |
| G N M A I I | 11,894 | - | 11,894 | - |
| G N M A Gtd | 1,259 | - | 1,259 | - |
| Money Market | 3,816 | 3,816 | - | - |
| S B A Gtd Ln | 7,933 | - | 7,933 | - |
| Commercial Paper- Discounted | 3,170 | - | 3,170 | - |
| U.S. Treasury Obligations | 46,960 | 46,960 | - | - |
| Corporate Paydown Securities (CMO) | 5,288 | - | 5,288 | - |
| Foreign Corporate Bonds | 2,549 | - | 2,549 | - |
| Foreign Gov't Obligations | 3,941 | - | 3,941 | - |
| Municipal Bonds | 14,096 | - | 14,096 | - |
| S B A Gtd Dev | 1,886 | - | 1,886 | - |
| Total Investments by Fair Value Measurement | **$ 227,320** | **$ 50,776** | **$ 176,004** | **$ 540** |
| **Short-term Investments Reported at Cost or Amortized Cost:** | | | | |
| First Amer Treas Oblig FD Cl D | 17,610 | | | |
| LGIP | 57,032 | | | |
| Total Investments | **$ 301,962** | | | |

## Note 3 - Deposits and Investments (cont'd)

### Concentration of Credit Risk – Investments

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

As of December 31, 2018, the County is not exposed to a concentration of credit risk.

### PENSION TRUST FUND

### Cash Deposits

The carrying amount of Pension Trust Fund deposits at December 31, 2018 is $48,264 and the bank balance is $48,883. The carrying amount consists of $1,967 of cash held in deposit at banks and $46,297 of cash equivalents held by investment managers.

### Custodial Credit Risk - Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Pension Trust Fund will not be able to recover deposits or will not be able to cover collateral securities that are in the possession of an outside entity. All time and savings deposits (includes NOW accounts and money market deposits) held in an insured depository institution within the State of Wisconsin are added together and insured, by FDIC, up to $250. Separately, all demand deposit accounts (includes interest-bearing and noninterest-bearing deposits) held in an insured depository institution within the State of Wisconsin are added together and insured, by FDIC, up to $250. In addition, if the depository institution is outside of the State of Wisconsin, both time and savings deposits and demand deposits are added together and insured up to $250. The State Deposit Guarantee Fund insures deposits up to a total of $400 per entity, not per banking institution. Of the $1,967 of deposits with financial institutions, $1,967 is covered by Federal depository insurance and State governmental insurance, subject to availability of funds in the State's Deposit Guarantee Fund, and there is no balance that is uninsured, uncollateralized, or exposed to custodial credit risk. All assets of the Pension Trust Fund are held in its name.

### Investments

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

The ERS Board has adopted a Statement of Investment policy to formally document investment objectives and responsibilities. This policy establishes guidelines for permissible investments of the Retirement System. Investments, primarily stocks, bonds, certain government loans and

## Note 3 - Deposits and Investments (cont'd)

mortgage-backed certificates, are stated at quoted fair value. Temporary cash investments are valued at cost, which approximates fair value. Investments in venture capital partnerships, real estate, long/short hedge and infrastructure are valued at estimated fair value, as provided by the Retirement System's investment managers. Investment transactions are recorded on the trade date. Realized gains and losses are computed based on the average cost method. Unrealized gains and losses in the fair value of investments represent the net change in the fair value of the investments held during the period.

As of December 31, 2018, the Pension Trust Fund has the following investments:

| Investment Type: | Fair Value |
|---|---|
| Domestic Common and Preferred Stocks | $ 382,745 |
| Fixed Income | 310,335 |
| Futures | 18 |
| Infrastructure | 147,036 |
| International Common and Preferred Stocks | 220,885 |
| Long / Short Hedge Funds | 144,821 |
| Private Equity | 183,485 |
| Real Estate and REIT'S | 183,425 |
| **Total** | **$ 1,572,750** |

### Custodial Credit Risk – Investments

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

### Interest Rate Risk – Investments

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

## Note 3 - Deposits and Investments (cont'd)

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, 2018, the Retirement System has the following Option-Adjusted Durations for the fixed income investments:

| Investment Type | Fair Value | Option Adjusted Duration (In Years) |
|---|---|---|
| Asset Backed Securities | $ 8,882 | 2.79 |
| Commercial Mortgage-Backed | 14,274 | 3.59 |
| Corporate Bonds | 87,700 | 6.22 |
| Government Agencies | 6,825 | 5.01 |
| Government Bonds | 12,497 | 12.21 |
| Government Mortgage Backed Securities | 49,527 | 4.08 |
| Municipal/Provincial Bonds | 3,486 | 12.18 |
| Non-Government Backed C.M.O.s | 151 | 3.02 |
| Other: | | |
| Government Mortgage Backed Securities | 1,041 | |
| Municipal/Provincial Bonds | 9,791 | |
| Non-Government Backed C.M.O.s | 8 | |
| | 194,182 | |
| NT Agg Bond Index Fund | 116,153 | |
| Total | $ 310,335 | |

### Concentration of Credit Risk - Investments

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

### Foreign Currency Risk - Investment

Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment or deposit. As of December 31, 2018, the Retirement System did not own investments denominated in foreign currencies.

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

## Note 3 - Deposits and Investments (cont'd)

### Credit Risk - Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Services ("Moody's"), Standard and Poor's ("S&P") and Fitch Ratings ("Fitch's"). With the exception of the Northern Trust Aggregate Bond Index Fund portfolio, bonds purchased and owned in each portfolio must have a minimum quality rating of "BAA3" (Moody's) or "BBB-" (S&P or Fitch's). The average quality of each portfolio must be "A" or better. The fixed income securities for the Northern Trust Aggregate Bond Index Fund 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". Moody's quality rating of "BAA3" or above is considered investment grade. Of the $15.9 million not rated by Moody's as of December 31, 2018, $11.3 million was rated by S&P as investment grade ("BBB-" or higher), and $4.6 million was not rated by S&P or Moody's.

The credit quality ratings of investments in fixed income securities by Moody's, a nationally recognized statistical rating agency, as of December 31, 2018 are as follows:

| Moody's Quality Ratings | Fair Value | Moody's Quality Ratings | Fair Value |
|---|---|---|---|
| AAA | $ 32,409 | BA2 | $ 3,983 |
| AA1 | 4,317 | BA3 | 8,350 |
| AA2 | 5,082 | B1 | 2,115 |
| AA3 | 3,766 | B2 | 472 |
| A1 | 5,888 | B3 | - |
| A2 | 6,654 | CAA1 | - |
| A3 | 8,850 | CAA2 | - |
| BAA1 | 15,882 | CAA3 | - |
| BAA2 | 7,310 | CA | - |
| BAA3 | 7,097 | NR | 15,888 |
| BA1 | 6,218 | | - |
| Subtotal | $ 103,473 | Subtotal | $ 30,808 |

| | |
|---|---|
| Total Credit Risk Fixed Income Securities | 134,281 |
| U.S. Government and Agencies | 59,901 |
| NT Agg Bond Index Fund (Not Rated) | 116,153 |
| **Total Investment in Fixed Income** | **$ 310,335** |

### Fair Value Measurements

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

## Note 3 - Deposits and Investments (cont'd)

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

As of December 31, 2018, the Pension investments fair value measurements are as follows:

| | | Fair Value Measurements Using: | | |
|---|---|---|---|---|
| **Investments by Fair Value:** | **12/31/2018** | **Quoted Prices in Active Markets for Identical Assets (Level 1)** | **Significant Other Observable Inputs (Level 2)** | **Significant Unobservable Inputs (Level 3)** |
| **Equity Securities** | | | | |
| Common Stocks | $ 119,394 | $ 119,394 | $ - | $ - |
| Domestic Stock Funds | 215,091 | 215,091 | - | - |
| International Stock Funds | 269,145 | 163,206 | 105,939 | - |
| Subtotal | 603,630 | 497,691 | 105,939 | - |
| **Fixed Income Securities** | | | | |
| Corporate Bonds | 194,182 | - | 194,182 | - |
| Corporate Bond Funds | 116,153 | 116,153 | - | - |
| Subtotal | 310,335 | 116,153 | 194,182 | - |
| **Futures** | | | | |
| Futures Contracts | 18 | 18 | - | - |
| Subtotal | 18 | 18 | - | - |
| Total Fair Value Level | $ 913,983 | $ 613,862 | $ 300,121 | $ - |

| **Investments measured at the net asset value (NAV):** | **Net Asset Value** | **Unfunded Commitments** | **Redemption Frequency** | **Redemption Notice Period** |
|---|---|---|---|---|
| **Alternative Investments** | | | | |
| **Hedge Funds** | | | | |
| ABS Investment Management | $ 68,049 | $ - | Quarterly | 45 Days |
| Parametric Def Equity Fund LLC | 76,772 | - | Monthly | 5 Days |
| Subtotal | 144,821 | | | |
| **Private Equity** | | | | |
| **Venture Capital** | | | | |
| Adams Street | 99,576 | 17,752 | Illiquid | -- |
| Mesirow Financial | 31,193 | 44,100 | Illiquid | -- |
| Siguler Guff | 52,716 | 25,797 | Illiquid | -- |

## Note 3 - Deposits and Investments (cont'd)

| Investments measured at the net asset value (NAV): | Net Asset Value | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|---|---|---|---|---|
| **Infrastructure** | | | | |
| IFM Infrastructure | 78,214 | - | Quarterly | 90 Days |
| JP Morgan Infrastructure | 68,822 | - | Semi-Annually | 90 Days |
| Subtotal | 330,521 | | | |
| **Real Estate** | | | | |
| American Realty Advisors | 42,121 | - | Quarterly | 30 Days |
| Morgan Stanley Prime Prop Fund | 98,138 | - | Quarterly | 90 Days |
| UBS Trumbull R/E | 43,166 | - | Quarterly | 60 Days |
| Subtotal | 183,425 | | | |
| Total Investments measured at NAV | 658,767 | | | |
| Total Investments | $ 1,572,750 | | | |

## Note 4 - Receivables

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

| Receivables | General | Debt Service | Capital Projects | Nonmajor Governmental | Total |
|---|---|---|---|---|---|
| Accounts | $ 34,746 | $ 11 | $ 199 | $ - | $ 34,956 |
| Taxes: | | | | | |
| Current Levy | 295,180 | - | - | - | 295,180 |
| Delinquent | 10,871 | - | - | - | 10,871 |
| Interest | 5,193 | - | - | - | 5,193 |
| Other | 15,094 | - | - | 2 | 15,096 |
| Due from Other Governments | 51,718 | 79 | 1,637 | - | 53,434 |
| Gross Receivables | 412,802 | 90 | 1,836 | 2 | 414,730 |
| Less: Allowance for Uncollectibles | (14,817) | - | - | - | (14,817) |
| **Net Total Receivables** | **$ 397,985** | **$ 90** | **$ 1,836** | **$ 2** | **$ 399,913** |

$3,959 of the $10,871 delinquent taxes balance is not expected to be collected within one year.

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

| | Business-type Activities | | Governmental Activities |
|---|---|---|---|
| | Airports | Transit System | Internal Service Funds |
| **Receivables:** | | | |
| Accounts | $ 3,933 | $ 1,037 | $ 6,300 |
| Other | 79 | 2,459 | - |
| Due from Other Governments | 6,720 | 3,711 | 15 |
| Gross Receivables | 10,732 | 7,207 | 6,315 |

## Note 4 - Receivables (cont'd)

| | Business-type Activities | | Governmental Activities |
|---|---|---|---|
| | Airports | Transit System | Internal Service Funds |
| Less: Allowance for Uncollectibles | - | - | (4,734) |
| **Net Total Receivables** | **$ 10,732** | **$ 7,207** | **$ 1,581** |

All balances are expected to be collected within one year.

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

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

| | Unearned Revenue | Deferred Tax Revenue | Unavailable Other Revenue | Total |
|---|---|---|---|---|
| Property Taxes Receivable for Subsequent Year | $ - | $ 295,681 | $ - | $ 295,681 |
| Delinquent Tax Receivables | - | 5,553 | - | 5,553 |
| Federal and State Receivables | - | - | 4,615 | 4,615 |
| Housing Loan Receivables | - | - | 9,934 | 9,934 |
| Other Receivables | 1,494 | - | - | 1,494 |
| Totals | $ 1,494 | $ 301,234 | $ 14,549 | $ 317,277 |
| | | | | |
| Liabilities | $ 1,494 | $ - | $ - | $ 1,494 |
| Deferred Inflows | - | 301,234 | 14,549 | 315,783 |
| Totals | $ 1,494 | $ 301,234 | $ 14,549 | $ 317,277 |

Enterprise funds also defer revenue recognition in connection with resources received, but not yet earned. As of December 31, , the unearned revenue balances for the Airports and Transit System are $21,146 and $5,878, respectively.

## Note 5 - Capital Assets

### Primary Government

The following is a summary of changes in capital assets for governmental activities for the year ended December 31, 2018.

| Governmental Activities | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Capital Assets, not being depreciated** | | | | |
| Land | $ 59,311 | $ 136 | $ - | $ 59,447 |
| Construction in progress | 65,123 | 37,154 | (22,571) | 79,706 |
| **Total Capital Assets, not being depreciated** | **124,434** | **37,290** | **(22,571)** | **139,153** |
| **Capital Assets, being depreciated** | | | | |
| Land Improvements | 289,050 | 7,170 | (411) | 295,809 |
| Buildings | 674,118 | 8,477 | (123) | 682,472 |
| Fixed Equipment Buildings | 61,766 | 4,703 | - | 66,469 |
| Infrastructure | 214,153 | 11,822 | (3,725) | 222,250 |
| Machinery and Equipment | 93,179 | 2,898 | (393) | 95,684 |
| Vehicles and Related Equipment | 88,568 | 6,769 | (3,419) | 91,918 |
| Furniture and Fixtures | 7,027 | 107 | - | 7,134 |
| **Total Capital Assets, being depreciated** | **1,427,861** | **41,946** | **(8,071)** | **1,461,736** |
| **Less: Accumulated Depreciation** | | | | |
| Land Improvements | (182,969) | (9,480) | 242 | (192,207) |
| Buildings | (432,572) | (18,503) | 125 | (450,950) |
| Fixed Equipment Buildings | (42,617) | (2,771) | - | (45,388) |
| Infrastructure | (110,188) | (11,113) | 3,725 | (117,576) |
| Machinery and Equipment | (70,374) | (5,402) | 377 | (75,399) |
| Vehicles and Related Equipment | (57,533) | (6,000) | 3,301 | (60,232) |
| Furniture and Fixtures | (3,477) | (485) | - | (3,962) |
| **Total Accumulated Depreciation** | **(899,730)** | **(53,754)** | **7,770** | **(945,714)** |
| **Net Capital Assets being depreciated** | **528,131** | **(11,808)** | **(301)** | **516,022** |
| **Governmental Activities Capital Assets-Net** | **$ 652,565** | **$ 25,482** | **$ (22,872)** | **$ 655,175** |

Governmental activities capital assets, net of accumulated depreciation, as of December 31, 2018 are comprised of the following:

| | |
|---|---|
| General Capital Assets, Net | $ 637,418 |
| Internal Service Fund Capital Assets, Net | 17,757 |
| Total Capital Assets, Net | $ 655,175 |

Depreciation is charged to governmental functions as follows:

| | |
|---|---|
| Legislative, Executive and Staff | $ 4,773 |
| Courts and Judiciary | 190 |
| General Governmental Services | 107 |
| Public Safety | 6,483 |
| Public Works and Highways | 20,003 |
| Human Services | 3,434 |
| Parks, Recreation and Culture | 18,764 |
| **Total** | **$ 53,754** |

## Note 5 - Capital Assets (cont'd)

The following is a summary of changes in capital assets for business-type activities for the year ended December 31, 2018.

| Business-type Activities | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Capital Assets, not being depreciated** | | | | |
| Land | $ 22,091 | $ - | $ - | $ 22,091 |
| Construction in progress | 35,701 | 13,637 | (19,093) | 30,245 |
| **Total Capital Assets, not being depreciated** | **57,792** | **13,637** | **(19,093)** | **52,336** |
| **Capital Assets, being depreciated** | | | | |
| Land Improvements | 230,040 | 12,257 | - | 242,297 |
| Buildings | 142,504 | 5,540 | - | 148,044 |
| Fixed Equipment Buildings | 304,718 | - | - | 304,718 |
| Machinery and Equipment | 23,102 | 2,577 | - | 25,679 |
| Vehicles and Related Equipment | 185,009 | 5,081 | (32) | 190,058 |
| Furniture and Fixtures | 5,373 | 30 | - | 5,403 |
| **Total Capital Assets, being depreciated** | **890,746** | **25,485** | **(32)** | **916,199** |
| **Less: Accumulated Depreciation** | | | | |
| Land Improvements | (107,916) | (10,214) | - | (118,130) |
| Buildings | (75,163) | (5,304) | - | (80,467) |
| Fixed Equipment Buildings | (118,217) | (8,000) | - | (126,217) |
| Machinery and Equipment | (14,822) | (2,341) | - | (17,163) |
| Vehicles and Related Equipment | (92,020) | (14,222) | 11 | (106,231) |
| Furniture and Fixtures | (3,378) | (616) | - | (3,994) |
| **Total Accumulated Depreciation** | **(411,516)** | **(40,697)** | **11** | **(452,202)** |
| **Net Capital Assets, being depreciated** | **479,230** | **(15,212)** | **(21)** | **463,997** |
| **Business-type Activities Capital Assets-Net** | **$ 537,022** | **$ (1,575)** | **$ (19,114)** | **$ 516,333** |

Depreciation is charged to business-type activities as follows:

| | |
|---|---|
| Airports | $ 24,519 |
| Transit System | 16,178 |
| **Total** | **$ 40,697** |

### Discretely Presented Component Units

All three of the County's component units have reportable capital assets.

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

| | |
|---|---|
| Construction in progress | $ 20 |
| Building additions and improvements | 20,848 |
| Furniture, equipment and exhibits improvements | 13,266 |
| Less: Accumulated Depreciation | (21,856) |
| Capital Assets, Net | $ 12,278 |

## Note 5 - Capital Assets (cont'd)

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

| | |
|---|---|
| Machinery, Vehicles and Equipment | $ 12,911 |
| Less: Accumulated Depreciation | (583) |
| Capital Assets, Net | $ 12,328 |

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

| | |
|---|---|
| Building and Improvements | $ 31,542 |
| Machinery, Vehicles and Equipment | 1,851 |
| Less: Accumulated Depreciation | (20,577) |
| Capital Assets, Net | $ 12,816 |

### Construction Commitments

The following is a list of **capital projects appropriations and transfers** that were approved by the Milwaukee County Board of Supervisors per the 2018 Adopted Capital Improvements Budget. These reflect projects for both governmental and proprietary funds.

## Note 5 - Capital Assets (cont'd)

| Project Number | Project Description | 2018 Appropriations | | 2018 Transfers | 2018 Expenditures & Encumbrances |
|---|---|---|---|---|---|
| | **Airports (WA)** | | | | |
| WA096 | Parking Structure Relighting | $ - | *** | $ 212 | $ 259 |
| WA125 | Security & Wildlife Deter Peri | - | * | - | 249 |
| WA139 | GMIA - Redundant Main Electric | - | * | - | - |
| WA158 | GMIA - Deicer Pads | - | * | - | 44 |
| WA176 | GMIA Master Plan Agis/Ealp | - | * | - | - |
| WA177 | GMIA Parking Structure Repairs | - | * | - | 66 |
| WA178 | GMIA Parking Gar Rntl Car Area | - | * | - | - |
| WA185 | GMIA Surveillance System | - | * | - | 532 |
| WA187 | GMIA 13-31 Pavement Resurface | - | * | - | - |
| WA189 | LJT Airfield Pvmnt Rehab 2015 | - | * | - | - |
| WA195 | GMIA Taxiway F Reconstruction | - | * | - | 145 |
| WA196 | Replace Skywalk Glass | - | * | - | 1,087 |
| WA205 | GMIA Firehouse Addition | - | *** | 100 | 4,441 |
| WA206 | Expan Taxicab Parking/Staging | - | * | - | 57 |
| WA207 | GMIA Landside Roadway Rehab | - | * | - | 392 |
| WA208 | LJT 15L-33R Pavement Resurf | - | * | - | 70 |
| WA209 | GMIA Sustainability Mgt Plan | - | * | - | 74 |
| WA211 | GMIA Physical Access Cntrl Syst | - | * | - | 282 |
| WA213 | Replacement Of Jet Bridges | - | * | - | 546 |
| WA215 | GMIA Relight 19R-II, 13-31 Tw | - | * | - | 445 |
| WA217 | GMIA Airfield Safety Improveme | - | * | - | 81 |
| WA218 | GMIA Airfield Pavement Replace | - | * | - | 61 |
| WA220 | GMIA Connector Taxiway Mods | - | * | - | 843 |
| WA221 | International Terminal Redevel | 25,198 | *** | - | 85 |
| WA224 | LJT Airfield Pavmnt Repl/Rehab | - | * | - | 43 |
| WA225 | GMIA Fuel Storage Facility | - | * | - | - |
| WA240 | LJT Sec-Wildlife Fence 2018 | 258 | ** | - | 189 |
| WA243 | GMIA Replace Jet Bridges 2018 | 1,545 | ** | - | 911 |
| WA245 | GMIA Airfield Safety Imp 2018 | 483 | ** | - | 282 |
| WA246 | GMIA Airfield Pvmnt Repl 2018 | 2,342 | ** | - | 1,989 |
| WA247 | GMIA Deicer Pads- 19R 2018 | 4,477 | ** | - | - |
| WA248 | LJT Pavement Replacement | 231 | ** | - | 221 |
| WA251 | GMIA Airfield Drainage Study | 110 | ** | - | 111 |
| WA252 | GMIA MKE Bus Park Elec Infra | 2,815 | ** | - | 200 |
| WA253 | GMIA Ops Control Center | 210 | ** | - | - |
| WA254 | GMIA Parking Lot Repl 2018 | 261 | ** | - | 233 |
| WA260 | GMIA Parking Struc Rep 2018 | 900 | ** | - | 21 |
| WA261 | GMIA Master Plan 2017 | - | * | - | 2,429 |
| WA296 | GMIA Interior Finishes Plan | - | ** | 225 | - |
| WA374 | LJT Master Plan 2018 | - | ** | 400 | - |
| WA375 | LJT Rplace Runwy Indicator Lts | - | ** | 130 | - |
| | **Courthouse Complex (WC)** | | | | |
| WC027 | Courthouse Light Court Window | - | *** | 269 | 71 |
| WC059 | CH Complex Elec Infrastr Ph 1 | - | *** | 28 | 1,615 |

### Note 5 - Capital Assets (cont'd)

| Project Number | Project Description | 2018 Appropriations | | 2018 Transfers | 2018 Expenditures & Encumbrances |
|---|---|---|---|---|---|
| | **Courthouse Complex (WC) (cont'd)** | | | | |
| WC062 | CJF Bldg Roof Replacement | $ - | *** | $ 3 | $ 33 |
| WC089 | Courthouse Elevator Renov Ph 1 | - | * | - | 89 |
| WC093 | Courthouse Penthouse Masonry | - | * | (174) | 1 |
| WC094 | Courthouse Ext Duct Repairs | - | * | (103) | 6 |
| WC095 | Courthouse Basement Masonry | - | *** | 66 | 908 |
| WC096 | Courthouse Tuckpointing | - | * | (117) | 18 |
| WC102 | CH HVAC Replacement | - | *** | 4 | 214 |
| WC103 | CJF Cooling Tower | - | * | - | 1 |
| WC116 | Courthouse Cooling Coil Replac | - | *** | 1 | 238 |
| WC120 | CJF Hot Water Heater Replaceme | - | *** | 1 | 33 |
| WC129 | Safety Bldg Fire Pumps/Cntls | - | *** | 4 | 7 |
| WC143 | CH Lightcourt Perm Vertical Ac | - | * | (50) | - |
| WC147 | CH Complex Facade Insp/Repair | - | *** | 174 | 601 |
| WC148 | CH Complex Plan Phase 3 | - | * | - | 125 |
| WC150 | Coggs Fire System Replacement | 181 | ** | - | 29 |
| WC154 | CJF Elevators 1&2 Upgrade | 794 | *** | 15 | 63 |
| WC164 | Safety Bldg Elev Mod 3,4,6 | 1,181 | ** | 3 | 107 |
| WC166 | Slab Replace MPM/Pioneer Vilag | 1,301 | ** | 3 | 6 |
| | **Highways (WH)** | | | | |
| WH001 | Traffic Hazard Elimination Program | - | *** | 245 | 2,439 |
| WH002 | Congestion Mitigation And Air Quality | - | * | - | 97 |
| WH010 | Mill Rd. 43rd St. To Sydney Pl | 5,695 | *** | 15 | 2,640 |
| WH020 | Major Rehabilitation | 4,408 | *** | 387 | 4,315 |
| WH030 | Bridge Replacement Program | - | * | (266) | 1,094 |
| WH080 | Bridge Rehabilitation Program | - | *** | 5 | 780 |
| WH082 | Reconstruct Cth ZZ College Ho | - | * | - | - |
| WH090 | W Ryan Rd Cth H 96th To 112th | - | * | (97) | 96 |
| WH091 | Short Term Cth Rehab-Maint Prj | - | * | - | 67 |
| WH092 | S 76th & W Layton Adapt Sig Sy | - | * | 1 | 25 |
| WH094 | W. Rawson Int W/ 10th And 6th | - | ** | 1,250 | 472 |
| WH095 | W Rawson - S. 27th To S. 20th | - | * | - | - |
| WH097 | E North Ave Bridge Over OLT | - | * | - | - |
| WH105 | E North And Oklnd Bridge Joint | - | * | - | - |
| WH109 | Signal At W Gd Hope & Pierron | 315 | ** | - | 4 |
| WH234 | Highway Billing System | - | * | - | 44 |
| WH242 | North Shop Improvements | - | * | - | 7 |
| | **House of Correction (WJ)** | | | | |
| WJ074 | HOC Master Control | - | * | - | 440 |
| WJ078 | HOC Sallyport Gate Replacemnts | - | *** | 1 | 39 |
| WJ083 | HOC Security System Replacemen | 236 | ** | - | 237 |
| WJ086 | HOC Visiting Center Improvemen | - | * | - | 34 |
| | **Museum (WM)** | | | | |
| WM003 | Electrical Distribution Replac | - | *** | 1 | 162 |

### Note 5 - Capital Assets (cont'd)

| Project Number | Project Description | 2018 Appropriations | | 2018 Transfers | 2018 Expenditures & Encumbrances |
|---|---|---|---|---|---|
| | **Museum (WM) (cont'd)** | | | | |
| WM010 | MPM Elevator/Escalator Modern | $ - | * | $ - | $ 31 |
| WM019 | MPM Waterproof &Caulk- Gar/Pl | - | *** | 3 | 3 |
| WM027 | MPM North Wing Ahu And Control | - | *** | 1 | 432 |
| WM039 | MPM Fire Panel Replacement | 2,716 | ** | 7 | 121 |
| WM563 | Security/Fire/Life Safety Sys | - | *** | 3 | 185 |
| | **Other Agencies (WO)** | | | | |
| WO038 | Marcus Center HVAC Upgrade | - | *** | 9 | 451 |
| WO077 | Oak Crk Parkway Rr Trks To Chi | - | *** | 1,085 | 894 |
| WO086 | Milwaukee River Parkway Recons | - | * | - | 16 |
| WO103 | Fleet Mgt Cent Garage Roof Rep | - | * | - | 135 |
| WO112 | Fleet General Equipment Constru | - | *** | 3 | 1,727 |
| WO116 | Vogel Hall Renovation | - | - | - | - |
| WO118 | Historical Society Ext Renovat | - | *** | 2 | 1,739 |
| WO136 | Trimborn Farm Stone Barn Roof | - | *** | 1 | 23 |
| WO141 | Fleet O'Donnell Panels Relocat | - | * | - | 65 |
| WO165 | Countywide ADA Repairs | - | * | - | 56 |
| WO175 | Fleet Central Garage Roof Repl | 2,838 | ** | 506 | 1,536 |
| WO176 | Mainframe Retirement | 164 | *** | - | 236 |
| WO178 | MCSO Rugged Modems | - | * | - | 101 |
| WO180 | Information Technology Securit | 388 | *** | - | 598 |
| WO198 | Fuel Transaction Software | 262 | ** | - | 234 |
| WO217 | Phone And Voicemail Replacemen | - | * | - | 944 |
| WO224 | Zoo Inter Utilities Relocation | - | * | - | 2 |
| WO229 | Warehouse Facility Replacement | - | * | - | 4 |
| WO230 | Fleet/Highways Bldg Modificat | - | * | - | 9 |
| WO240 | Project Management Software | - | * | - | 14 |
| WO246 | Grant Wow Stage Improvements | - | * | - | 1 |
| WO247 | MCHS Window Grates | - | * | - | 47 |
| WO303 | Comp Aided Dispatch Interop | 763 | *** | - | 862 |
| WO311 | Fleet General Equip 2018 | 3,233 | ** | 3 | 2,664 |
| WO312 | Sheriff Fleet Equip 2018 | 1,000 | ** | 1 | 626 |
| WO313 | HOC Fleet Equip 2018 | 141 | ** | - | 70 |
| WO314 | Fleet Parks Equip 2018 | 3,576 | ** | 1 | 3,554 |
| WO424 | Jail Management System | - | * | - | 145 |
| WO447 | CCFC Camera System | - | * | - | 206 |
| WO452 | Train Acad. Firing Range Vent | - | *** | 3 | 544 |
| WO455 | Train Acad Cntrl Turn Targ Sys | - | *** | 2 | 29 |
| WO462 | Bullpen Camera System | - | * | - | 101 |
| WO465 | Training Academy Boiler System | - | *** | 1 | 199 |
| WO507 | Charles Allis Ext Facade Repai | - | * | - | 10 |
| WO517 | Birdcage Stain Glass Curtainwa | - | * | (528) | 2,615 |
| WO527 | Charles Allis Ext Improvements | - | * | - | 340 |
| WO535 | War Memorial Grn Print Ph 1 | - | ** | 1,505 | 37 |
| WO602 | Mainframe Applications Migrati | 5,781 | *** | - | 9,694 |

## Note 5 - Capital Assets (cont'd)

| Project Number | Project Description | 2018 Appropriations | | 2018 Transfers | 2018 Expenditures & Encumbrances |
|---|---|---|---|---|---|
| | **Other Agencies (WO) (cont'd)** | | | | |
| WO606 | Countywide Wire/Wireless Infra | $ - | * | $ - | $ 153 |
| WO614 | Build Out Ten Sites To Digital | - | *** | 19 | 502 |
| WO619 | Crit Data Prot And Backup | - | * | - | 321 |
| WO632 | Internet/Intranet Rebuild/Redi | - | * | 12 | 115 |
| WO634 | Mer Infrastructure Improvement | - | * | - | 14 |
| WO870 | County Special Assessments | - | * | - | 180 |
| WO890 | MCPA Uihlein Stage Lifts | 1,883 | ** | 6 | 831 |
| WO948 | Master Real Prop Ind | - | * | - | 615 |
| WO949 | Inventory & Assess Cnty Bldgs | - | * | - | 96 |
| | **Parks (WP)** | | | | |
| WP063 | Estabrook Dam Rehabilitation | - | *** | 1 | 67 |
| WP131 | OLT Downtown Conn. Phase 4 | - | *** | 101 | 108 |
| WP172 | Mlk Community Center Roof Repl | - | *** | 5 | 196 |
| WP192 | FEMA Flood Projects | - | * | - | - |
| WP208 | Kosci Comm Cnt Fire Alarm Upgr | - | * | - | 6 |
| WP225 | Oakwood Cart Paths- Back 9 | - | * | - | 29 |
| WP255 | Sherman Park B&G HVAC Repl | - | * | - | 176 |
| WP269 | Wehr Nature Center Improvement | - | * | - | 1 |
| WP271 | Johnson Park Pavilion | - | * | - | 5 |
| WP275 | Menomonee River Prkwy Wetlands | - | * | - | 36 |
| WP280 | Menomonee River Prkwy Recon | - | *** | 50 | 149 |
| WP284 | Clarke Square Park Improvement | - | * | - | 57 |
| WP290 | Kinnickinnic Parkway Phase 1 | - | *** | 3 | 4 |
| WP297 | Oakleaf Trail Improvements | - | * | - | 20 |
| WP298 | South Shore Boat Launch | - | * | (147) | 75 |
| WP323 | Menomonee Rvr Streambank Stabi | - | *** | 36 | 275 |
| WP330 | Cool Waters Slide | - | *** | 1 | 94 |
| WP368 | Countywide Park Roofs | - | *** | 1 | 117 |
| WP383 | Mitchell Domes Electrical | - | - | - | 1 |
| WP394 | Bay View Dog Park | - | * | - | - |
| WP462 | Dineen Park Tennis Courts Repl | - | - | - | 12 |
| WP482 | Sherman Park Tennis Courts Imp | - | * | - | 8 |
| WP484 | Lake Park Ravine Bridge | - | *** | 6 | 28 |
| WP487 | McGovern Pk Restrooms/Pavilion | - | * | - | 5 |
| WP488 | Kern Pk Restrooms/Pavilion | - | * | - | 7 |
| WP489 | Doctors Pk Restrooms/Pavilion | - | * | - | 3 |
| WP490 | Mitchell Domes Long-Term Plan | - | * | - | 124 |
| WP491 | OLT Recon- Prospect To Bellvie | - | *** | 1 | 896 |
| WP492 | Root River Olt Extension | - | *** | 1 | 323 |
| WP512 | McKinley Marina Parking Lots | 2,141 | *** | 157 | 216 |
| WP525 | Parks POS System | - | * | (60) | 564 |
| WP529 | OLT Bender Racine Connector | - | *** | 5 | 166 |
| WP530 | Storage Sheds | - | * | - | 21 |
| WP531 | Garden Homes Playground Pip Re | - | * | 1 | 100 |
| WP532 | Holler Park Playground Improve | - | *** | 1 | 223 |

## Note 5 - Capital Assets (cont'd)

| Project Number | Project Description | 2018 Appropriations | | 2018 Transfers | 2018 Expenditures & Encumbrances |
|---|---|---|---|---|---|
| | **Parks (WP) (cont'd)** | | | | |
| WP533 | Cathedral Square Playground Re | $ - | ** | $ 187 | $ 182 |
| WP544 | McCarty Elec Infra Replacement | 119 | ** | 2 | 19 |
| WP548 | Kletzsch Dam Repairs And Imrpv | - | ** | 4 | 148 |
| WP552 | Franklin Park Ryan Creek Bridge Replacement | 137 | ** | - | 8 |
| WP553 | Mitchell Park Conserv Planning | 320 | ** | - | - |
| WP560 | South Shore Water/Beach Improv | - | * | - | 133 |
| WP601 | Brown Deer Clubhouse Maint. | - | * | - | 468 |
| WP603 | Smith Pavilion Wall Imp/Maint. | - | * | - | 11 |
| WP604 | South Shore Pavilion Maint | - | * | - | 12 |
| WP605 | Greenfield Pavilion Bldg Rep | - | * | - | - |
| WP606 | Systemwide- Hard Surface Asset | - | * | - | - |
| WP608 | Systemwide- Demolitions | - | * | - | 1 |
| WP613 | Cudahy Park Baseball Diamond | - | * | (166) | - |
| WP614 | Grant Park Baseball Diamond | - | * | (149) | - |
| WP618 | Boiler, Ramp, Dehumidifiers | - | * | - | 292 |
| WP620 | Wahl Park Pavilion Improvement | - | * | - | 185 |
| WP628 | Brown Deer Park Roadway | - | *** | 1 | 41 |
| WP629 | Boerner Comfort Station Renova | - | *** | 1 | 249 |
| WP630 | Pulaski Park Futsal Court | - | * | 36 | 9 |
| WP631 | Baseball Field Improvements | - | * | - | 6 |
| WP632 | Washington Park Multi-Use Fiel | - | * | - | 51 |
| WP683 | Greenfield CH HVAC Renov | - | *** | 1 | 166 |
| WP684 | Mitchell Domes Materials Test | - | * | - | 36 |
| WP685 | Lyons Bridge Replacements | - | *** | 108 | 68 |
| WP686 | Domes Annex HVAC | - | *** | 550 | 4 |
| WP696 | South Shore Restroom ADA Remod | - | ** | 158 | - |
| | **Human Services (WS)** | | | | |
| WS034 | Washngtn Pk Sr Ctr - Roof Repl | - | * | (117) | 2 |
| WS040 | McGovern Senior Center Improvements | - | * | (24) | 4 |
| WS044 | Washington SC Restroom Renov | - | *** | 265 | 207 |
| WS049 | Senior Centers Windows Renov | - | * | (124) | 20 |
| WS124 | Sec Youth Fac Phase 1 | - | ** | 3,500 | 296 |
| | **Transit (WT)** | | | | |
| WT075 | On-Bus Video System | - | * | - | 1,723 |
| WT076 | KK Garage Maint Bldg HVAC | - | * | (615) | 852 |
| WT077 | FDL Bus Storage Garage Roof | 502 | *** | 637 | 2,975 |
| WT081 | WI Ave Corridor Transit Signal | - | * | - | - |
| WT082 | BRT Planning And Design | - | * | - | 177 |
| WT083 | Bus Rapid Transit | - | *** | 2 | 2 |
| WT087 | Rebuild KK Maintenance Pits | - | * | - | 695 |
| WT104 | Bus Replacement Prog - 2018 | 13,500 | ** | - | 13,242 |

## Note 5 - Capital Assets (cont'd)

| Project Number | Project Description | 2018 Appropriations | | 2018 Transfers | 2018 Expenditures & Encumbrances |
|---|---|---|---|---|---|
| | **Environmental (WV)** | | | | |
| WV009 | Countywide Sanitary Sewer Rep | $ - | * | $ - | $ 333 |
| WV022 | Landfill Infrastructure | - | * | - | 11 |
| WV024 | College Ave Storm Water Pond | - | * | - | 2 |
| WV027 | Warnimont Park Remediation | - | * | - | 80 |
| | **Zoo (WZ)** | | | | |
| WZ041 | Aviary Fire & Smoke Detection | - | * | - | 2 |
| WZ045 | AHC Electrical Serv Extension | - | * | - | 14 |
| WZ057 | Zoo Aviary Roof Replacement | - | *** | 4 | 143 |
| WZ063 | Winter Quarters Main Roof Repl | - | * | - | 43 |
| WZ089 | Zoo South End Hay Barn Roof | - | *** | 1 | 21 |
| WZ107 | Bear Service Area Improvements | - | * | - | 78 |
| WZ112 | Pachyderm Building Tunnel Rein | - | * | 1 | - |
| WZ114 | Zoo Life Support Emergency Gen | - | * | 20 | 113 |
| WZ115 | Great Apes Mech Room Roof Repl | - | * | - | 19 |
| WZ119 | African Plains Exhibit | - | *** | 270 | 12,490 |
| WZ128 | Peck Roof Replacement | - | * | - | 27 |
| WZ133 | Flamingo Building AC Replaceme | - | * | 1 | 3 |
| WZ150 | Entry Area Exhibit | - | *** | 325 | 1,455 |
| WZ151 | Aviary Boiler Replacement | - | *** | 5 | 112 |
| WZ161 | ARC Ozone Sys/Exch&Chil Valves | - | *** | 1 | 131 |
| WZ163 | ARC Heating | - | *** | 2 | 2 |
| WZ173 | CTC Otter Exhibit | - | * | - | 1,339 |
| | Totals | $ 92,405 | | $ 10,431 | $ 110,486 |

* Project has funding appropriation carryovers from 2017.
** Project has additional funding appropriations in 2018.
*** Project has both funding carryovers from 2017 and additional funding in 2018.

## Note 5 - Capital Assets (cont'd)

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.

| **2018 Funding Total** | |
|---|---|
| Encumbrances and Carryovers from 2017 | $ 134,903 |
| 2018 Appropriations | 92,405 |
| 2018 Transfers | 10,431 |
| Total | $ 237,739 |

| **2018 Appropriations - Funding Source** | |
|---|---|
| General Obligation Bonds/Notes | $ 39,642 |
| PFC Revenue / Airport Reserve | 16,697 |
| General Airport Revenue Bonds | 15,000 |
| Property Tax Levy | 250 |
| Reimbursement Revenue | 15,656 |
| Sales Tax Revenue | 4,845 |
| Vehicle Registration Fees | 315 |
| Total | $ 92,405 |

| **2018 Transfers - Funding Source** | |
|---|---|
| Appropriation for Contingency | $ 873 |
| Bonds/Notes | 720 |
| Contribution from Reserves | 1,400 |
| Levy From (To) Operations | 3,239 |
| Miscellaneous Revenue | 1,008 |
| Parking Fees | - |
| PFC Revenue / Airport Reserve | 457 |
| Private Contributions | 131 |
| Reimbursement Revenue | 2,603 |
| Total | $ 10,431 |

## Note 6 - Interfund Transfers

The composition of interfund transfers as of December 31, 2018 is as follows:

| Transfers In: | Transfers Out: | Purpose | Total |
|---|---|---|---|
| General Fund | Capital Projects Fund | Capital Projects | $ (289) |
| General Fund | Airports | Operating Transfers | (169) |
| General Fund | Special Revenue Fund - Zoo | Operating Transfer | (21) |
| General Fund | Special Revenue Fund - Airport | Operating Transfer | (150) |
| General Fund | Internal Service Fund - Info Mgmt Svcs | Operating Transfer | (3,049) |
| General Fund | Internal Service Fund - Public Works Service | Operating Transfer | (426) |
| General Fund | Internal Service Fund - Risk Management | Operating Transfer | (2,593) |
| Debt Service Fund | General Fund | Debt Service | 69,441 |
| Capital Projects Fund | General Fund | Capital Projects | 5,548 |
| Airports | General Fund | Operating Transfer | 1,438 |
| Transit | General Fund | Operating Transfer | 12,169 |
| Special Revenue Fund - Parks | General Fund | Operating Transfer | 482 |
| Special Revenue Fund - Administrative Services | General Fund | Operating Transfer | 127 |
| Internal Service Fund - Info Mgmt Svcs | General Fund | Operating Transfer | 14,853 |
| Internal Service Fund - Public Works Service | General Fund | Operating Transfer | 1,789 |
| Internal Service Fund - Risk Management | General Fund | Operating Transfer | 11,162 |
| Subtotal - Fund Financial Statements | | | **$110,312** |
| Less: Fund eliminations | | | **(96,874)** |
| Total Transfers - Government-wide Statement of Activities | | | **$ 13,438** |

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

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

## Note 7 - Leases

### Capital Leases - Primary Government

In 2008, the County entered into a Capital Lease Agreement in the amount of $1,510 with Chase Bank to improve the County's energy efficiency and to promote environmental sustainability. The County expended all acquisition funds associated with this lease. In 2010, the County entered into a Capital Lease Agreement in the amount of $7,515 with Banc of America to improve the County's energy efficiency and to promote environmental sustainability. The County expended $6,385 of these funds. In December 2015, the unspent balance of $1,130 was returned to the Banc of America and the principal balance was reduced. The repayment schedule was modified to reflect the reduced principal balance.

All equipment acquired through the Capital Lease Agreements will transfer to the County at the end of the lease terms. The County is making lease payments over a period of 10 years and is required to make semi-annual payments during the term. Final payments are as follows: *2008* –

## Note 7 - Leases (cont'd)

June 1, 2018, and *2010* – December 1, 2020. The gross amount of these assets under capital leases is $11,227 and is presented in the governmental activities statement - capital assets.

In prior years, the County entered into capital lease agreements for various Airport vehicles and equipment. The gross amount of these assets under capital leases is $3,165 and is presented in the business-type statement - capital assets.

The assets acquired through capital leases are as follows:

| Assets: | Governmental Activities | Business-type Activities |
|---|---|---|
| Machinery & Equipment | $ 11,227 | $ - |
| Vehicles and Related Equipment | - | 3,165 |
| Less: Accumulated Depreciation | (9,929) | (2,839) |
| Total | **$ 1,298** | **$ 326** |

The future minimum lease payments and the net present value of these capital leases as of December 31, 2018, are as follows:

| Year Ending December 31 | Governmental Activities | Business-type Activities |
|---|---|---|
| 2019 | $ 680 | $ 223 |
| 2020 | 680 | 116 |
| Subtotals | 1,360 | 339 |
| Less: Amount representing interest | (62) | (13) |
| **Present Value of Future minimum Lease Payments** | **$ 1,298** | **$ 326** |

### Operating Leases - Primary Government

The County leases facilities, office equipment, and vehicles. Total costs for such leases are $1,646 for the year ended December 31, 2018.

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

| Year Ending December 31 | Amount |
|---|---|
| 2019 | $ 1,765 |
| 2020 | 1,420 |
| 2021 | 1,203 |
| 2022 | 1,311 |
| 2023 | 1,324 |
| 2024 and beyond | 1,657 |
| **Total** | **$ 8,680** |

## Note 8 - Long-Term Liabilities

### Changes in Long-Term Liabilities

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the governmental activities. At year-end, $59,142 of the internal service funds long-term liabilities is included in the following tables. As claims and judgments expenditures are incurred, the general fund is used to liquidate the costs. Adjustments to short and long-term liabilities are made at year end based on a detailed reevaluation of the accounts.

Governmental Long-Term Liability activity for the year ended December 31, 2018 is as follows:

| Governmental Activities: | Beginning Balance | Increases | Decreases | Ending Balance | Due in One Year |
|---|---|---|---|---|---|
| **Bonds Payable:** | | | | | |
| General Obligation Bonds | $ 571,776 | $ 77,642 | $ (116,504) | $ 532,914 | $ 62,755 |
| Add (Subtract) Deferred Amounts for: | | | | | |
| Premium | 5,055 | 4,378 | (1,689) | 7,744 | - |
| Discount | (10) | - | 10 | - | - |
| Subtotal Bonds Payable | 576,821 | 82,020 | (118,183) | 540,658 | 62,755 |
| **Other Liabilities:** | | | | | |
| Unfunded Claims and Judgments | 12,500 | - | - | 12,500 | 2,500 |
| Landfill Post-Closure Costs | 1,235 | 100 | (110) | 1,225 | 40 |
| Pollution Remediation Costs | 24,655 | 909 | (7,984) | 17,580 | 909 |
| Compensated Absences | 28,462 | 19,153 | (18,567) | 29,048 | 20,087 |
| Risk Claims | 23,390 | 5,665 | (5,735) | 23,320 | 9,120 |
| Net Pension Liability | 566,102 | - | (59,451) | 506,651 | - |
| Other Post Employment Benefits | 1,308,280 | 47,367 | (59,478) | 1,296,169 | - |
| Capital Leases | 1,999 | - | (701) | 1,298 | 637 |
| Subtotal Other Liabilities | 1,966,623 | 73,194 | (152,026) | 1,887,791 | 33,293 |
| **Total Governmental Activities** | $ 2,543,444 | $ 155,214 | $ (270,209) | $ 2,428,449 | $ 96,048 |

Governmental Compensated Absences consist of the following:

| Governmental Activities: | Beginning Balance | Increases | Decreases | Ending Balance | Due in One Year |
|---|---|---|---|---|---|
| Retirement sick pay payout | $ 8,810 | $ 5 | $ (881) | $ 7,934 | $ 805 |
| Vacation time earned | 15,391 | 14,499 | (13,852) | 16,038 | 14,607 |
| Overtime earned | 1,717 | 1,684 | (1,545) | 1,856 | 1,709 |
| Holiday pay | 2,544 | 2,965 | (2,289) | 3,220 | 2,966 |
| **Total Compensated Absences** | **$ 28,462** | **$ 19,153** | **$ (18,567)** | **$ 29,048** | **$ 20,087** |

Unfunded claims and judgments include estimated costs for outstanding environmental, medical, and other claims. As of December 31, 2018, the outstanding amount of claims and judgments due within one year is $2,500 and the long-term liability is $10,000.

In accordance with GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs*, the County has recorded a long-term liability for its estimated maintenance and monitoring costs for closed landfill sites. As of December 31, 2018, the estimated liability for costs due within one year is $40 and the long-term liability is $1,185. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

## Note 8 - Long-Term Liabilities (cont'd)

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the County has recorded a long-term liability for its estimated pollution remediation costs. As of December 31, 2018, the estimated liability for costs due within one year is $909 and the long-term liability is $16,671. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Risk claims include accruals for workers compensation and other insurance claims of the Risk Management Fund and Transit System. As of December 31, 2018, the outstanding amount of risk claims due within one year is $15,323 and the long-term liability is $16,379.

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

Business-type Long-Term Liability activity for the year ended December 31, 2018 is as follows:

| Business-type Activities: | Beginning Balance | Increases | Decreases | Ending Balance | Due in One Year |
|---|---|---|---|---|---|
| **Bonds Payable:** | | | | | |
| General Obligation Bonds | $ 35,012 | $ 7,527 | $ (10,801) | $ 31,738 | $ 3,392 |
| Revenue Bonds | 171,900 | - | (10,845) | 161,055 | 11,125 |
| Add (Subtract) Deferred Amounts for: | | | | | |
| Premium | 12,241 | 631 | (1,677) | 11,195 | - |
| Discount | (1,347) | - | - | (1,347) | - |
| Subtotal Bonds Payable | 217,806 | 8,158 | (23,323) | 202,641 | 14,517 |
| **Other Liabilities:** | | | | | |
| Compensated Absences | 13,147 | 5,032 | (6,258) | 11,921 | 2,931 |
| Risk Claims | 8,526 | 2,815 | (2,959) | 8,382 | 6,203 |
| Net Pension Liability - Airports | 21,615 | 182 | (3,408) | 18,389 | - |
| Net Pension Liability - Transit | 78,774 | - | (52,257) | 26,517 | - |
| Other Post Employment Benefits - Airports | 49,978 | 1,842 | (2,312) | 49,508 | - |
| Other Post Employment Benefits (Asset) - Transit | 295,034 | 7,225 | (16,949) | 285,310 | - |
| Capital Leases | 626 | - | (300) | 326 | 213 |
| Subtotal Other Liabilities | 467,700 | 17,096 | (84,443) | 400,353 | 9,347 |
| **Total Business-type Activities** | $ 685,506 | $ 25,254 | $ (107,766) | $ 602,994 | $ 23,864 |

Business-type Compensated Absences consist of the following:

| Business-type Activities: | Beginning Balance | Increases | Decreases | Ending Balance | Due in One Year |
|---|---|---|---|---|---|
| Retirement sick pay payout | $ 8,275 | $ 1,554 | $ (1,880) | $ 7,949 | $ 1,788 |
| Vacation time earned | 4,676 | 3,258 | (4,201) | 3,733 | 928 |
| Overtime earned | 89 | 85 | (80) | 94 | 84 |
| Holiday pay | 107 | 135 | (97) | 145 | 131 |
| **Total Compensated Absences** | **$ 13,147** | **$ 5,032** | **$ (6,258)** | **$ 11,921** | **$ 2,931** |

## Note 8 - Long-Term Liabilities (cont'd)

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

**Governmental Activities**

Proceeds from general obligation bonds issued are budgeted for and recorded within the Debt Service, Capital Projects, or Proprietary Funds, where appropriate. General obligation bonds are secured by the full faith, credit and unlimited taxing power of the County and are used to finance capital projects. General obligation bonds recorded in the Governmental Funds will be retired by future property tax levies and other resources accumulated in the Debt Service Fund.

The ratio of the aggregate indebtedness of all taxing authorities located within the County to equalized value of the taxable property is approximately 4.84% including 0.88% related to direct County indebtedness at December 31, .

Wisconsin Statutes limit the County's direct general obligation borrowing to an amount equivalent to 5% of the equalized value of taxable property. As of December 31, 2018 under Wisconsin Statutes, the County could borrow an additional $2,677,908.

At December 31, 2018, the Governmental Activities weighted average interest rate of general obligation bonds and notes outstanding is 4.30%.

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

| December 31 | Principal | Interest | Total Debt Service Requirements |
|---|---|---|---|
| 2019 | $ 62,755 | $ 20,710 | $ 83,465 |
| 2020 | 58,901 | 19,487 | 78,388 |
| 2021 | 56,965 | 17,595 | 74,560 |
| 2022 | 53,460 | 15,586 | 69,046 |
| 2023 | 51,096 | 13,651 | 64,747 |
| 2024-2028 | 182,808 | 41,004 | 223,812 |
| 2029-2031 | 66,929 | 3,652 | 70,581 |
| **Total Debt Service** | **$ 532,914** | **$ 131,685** | **$ 664,599** |

On October 11, 2018, the County issued $46,890 of General Obligation Refunding Bonds, Series, 2018A to current refund $18,500 of outstanding General Obligation Corporate Purpose Bonds, Series 2009C, which were callable as of October 1, 2018; $19,085 of outstanding Taxable General Obligation Corporate Purpose Bonds, Series 2009E, which were callable on August 1, 2018; and $13,315 of outstanding Taxable General Obligation Corporate Purpose Bonds, Series 2010A, which were callable on October 1, 2018. Net proceeds of $51,426 (par amount of bonds issue of $46,890, plus premium and underwriter's discount of $4,536) were used to prepay the stated General Obligation Bonds on December 1, 2018. The 2018A Refunding Bonds of $46,890 are recorded in Governmental Activities and Business-type Activities on the Statement of Net Position.

## Note 8 - Long-Term Liabilities (cont'd)

The 2018A Refunding Bonds have semi-annual interest payments on February 1 and August 1 through 2024. The interest rate is 5.0% for 2019 through 2024.

The cash flow requirements on the refunded bonds prior to the advance refunding was $57,233 from 2019 to 2025. The cash flow requirements on the refunding bonds are $55,807, a savings of $1,426. The advance refunding resulted in an economic gain (difference between the present values of the debt service payment of the old and new debt less any cash on hand) of $1,293.

On October 11, 2018, the County issued $4,325 of Taxable General Obligation Refunding Bonds, Series 2018B to current refund $860 of outstanding General Obligation Corporate Purpose Bonds, Series 2009C, which were callable as of October 1, 2018; $2,880 of outstanding Taxable General Obligation Corporate Purpose Bonds Series 2009E, which were callable on August 1, 2018, and $1,820 of outstanding Taxable General Obligation Corporate Purpose Bonds, Series 2010A, which were callable on October 1, 2018. Net proceeds of $4,318 (par amount of bonds issue of $4,325, less underwriter's discount of $7) along with cash on hand of $1,307 were used to prepay the stated General Obligation Bonds on December 1, 2018. The 2018B Taxable Refunding Bonds of $4,325 are recorded in Governmental Activities and Business-type Activities on the Statement of Net Position.

The 2018B Refunding Bonds have semi-annual interest payments on February 1 and August 1 through 2019. The interest rate is 2.6% for 2019.

The cash flow requirements on the refunded bonds prior to the advance refunding was $6,246 for 2019. The cash flow requirements on the refunding bonds are $5,721, a savings of $525. The advance refunding resulted in an economic gain (difference between the present values of the debt service payment of the old and new debt less any cash on hand) of $71.

On October 11, 2018, the County issued $7,060 of Taxable General Obligation Refunding Bonds, Series 2018C to advance refund $90 of outstanding General Obligation Promissory Notes, Series 2009F; $195 of outstanding General Obligation Promissory Notes, Series 2010D; $110 of outstanding General Obligation Refunding Bonds, Series 2012A; $1,720 of outstanding General Obligation Corporate Purpose Bonds, Series 2013A; $1,830 of outstanding General Obligation Corporate Purpose Notes, Series 2016C; $100 of outstanding General Obligation Corporate Purpose Refunding Bonds, Series 2016E; and $2,785 of outstanding General Oblgation Corporate Purpose Notes, Series 2017D. Net proceeds of $7,036 (par amount of bonds issue of $7,060, less underwriter's discount of $24) were used to establish a cash deposit and to acquire United State Treasury Obligations - State and Local Goverment Series ("SLGS" or the "Escrowed Securities") to provide funds to advance refund on a taxable basis portions of certain outstanding issues. The 2018C Refunding bonds of $7,060 are recorded in Governmental Activities and Business-type Activities on the Statement of Net Position.

The 2018C Taxable Refunding Bonds have semi-annual interst payments on February 1 and August 1 through 2023. The interest rate is 2.65% for 2019, 2.90% for 2020, 3.00% for 2021, 3.10% for 2022, and 3.20% for 2023.

The cash flow requirements on the refunded bonds prior to the advance refunding was $7,306 from 2019 to 2023. The cash flow requirements on the refunding bonds are $7,060, a loss of

## Note 8 - Long-Term Liabilities (cont'd)

$(266). The advance refunding resulted in an economic loss (difference between the present values of the debt service payment of the old and new debt less any cash on hand) of $(359).

On November 15, 2018, the County issued $12,405 of General Obligation Corporate Purpose Bonds, Series 2018D. Total proceeds of $12,605 (par amount of $12,405, plus net premium and underwriters's discount of $200) were used to purchase direct obligations of the United States of America or held in cash. The proceeds will be used for the purpose of paying the cost of financing the construction, improvement and maintenance of highways and bridges; and financing the acquistion, improvement, construction, extension and equipping of capital projects in the County. The 2018D bonds of $12,405 are recorded in the Govermental Activities and Business-type Activities on the Statement of Net Position.

The 2018D Bonds have semi-annual interest payments on February 1 and August 1 through 2028. The interest rate is 3.00% for 2019 through 2025 and 2027 through 2028, 4.00% for 2026.

On November 15, 2018, the County issued $8,130 of General Obligation Prommissory Notes, Series 2018E. Total proceeds of $8,265 (par amount of $8,130, plus net premium and underwriters's discount of $135) were used to purchase direct obligations of the United States of America or held in cash. The proceeds will be used for the purpose of paying the cost of financing the acquisition, improvement, construction, extension and equipping of capital projects in the County. The 2018E notes of $8,130 are recorded in the Govermental Activities and Business-type Activities on the Statement of Net Position.

The 2018E Notes have semi-annual interst payments on February 1 and August 1 through 2022. The interest rate is 3.00% for 2019 through 2022.

On November 15, 2018, the County issued $6,360 of Taxable General Obligation Prommissory Notes, Series 2018F. Total proceeds of $6,339 (par amount of $6,360, less underwriters's discount of $21) were used to purchase direct obligations of the United States of America or held in cash. The proceeds will be used for the purpose of paying the cost of financing the acquisition, improvement, construction, extension and equiping of capital projects in the County. The 2018F taxable notes of $6,360 are recorded in the Govermental Activities and Business-type Activities on the Statement of Net Position.

The 2018F Taxable Notes have semi-annual interest payments on February 1 and August 1 through 2023. The interest rate is 2.70% for 2019, 2.95% for 2020, 3.05% for 2021, 3.15% for 2022, and 3.20% for 2023.

## Note 8 - Long-Term Liabilities (cont'd)

| Bond Issue | Date of Bond | Final Maturity Date | Average Interest Rate | Original Indebtedness | Principal Outstanding 12/31/2018 | Interest to Maturity |
|---|---|---|---|---|---|---|
| Taxable Pension Obligation Bonds, Series 2009A | 04/02/09 | 12/01/28 | 6.36 % | $ 265,000 | $ 116,072 | $ 55,782 |
| General Obligation Promissory Notes, Series 2009F | 11/15/09 | 08/01/19 | 2.55 % | 15,610 | 910 | 32 |
| General Obligation Corporate Purpose Bonds, Series 2010C | 12/21/10 | 10/01/26 | 4.90 % | 27,207 | 19,522 | 5,244 |
| General Obligation Promissory Notes, Series 2010D | 12/21/10 | 10/01/20 | 2.82 % | 9,770 | 3,630 | 202 |
| General Obligation Refunding Bonds, Series 2012A | 12/20/12 | 12/01/20 | 1.00 % | 21,804 | 5,622 | 290 |
| Taxable Pension Oblig Replacement Bonds, Series 2013A | 02/12/13 | 12/01/30 | 3.28 % | 138,730 | 113,365 | 34,235 |
| Taxable Pension Oblig Tender Refund Bonds, Series 2013B | 06/27/13 | 12/01/23 | 2.76 % | 99,300 | 52,475 | 5,238 |
| General Obligation Corporate Purpose Bonds, Series 2013A | 08/14/13 | 09/01/23 | 2.43 % | 26,935 | 12,215 | 995 |
| General Obligation Corporate Purpose Bonds, Series 2014A | 11/06/14 | 12/01/29 | 2.60 % | 39,209 | 28,740 | 5,261 |
| General Obligation Corporate Purpose Bonds, Series 2015A | 11/12/15 | 10/01/30 | 2.73 % | 31,415 | 27,296 | 5,134 |
| General Obligation Refunding Bonds, Series 2015B | 11/12/15 | 10/01/21 | 2.70 % | 14,252 | 6,874 | 411 |
| General Obligation Corporate Purpose Bonds, Series 2015C | 11/12/15 | 10/01/19 | 1.85 % | 3,600 | 900 | 18 |
| General Obligation Corporate Purpose QECB Bonds, Series 2015D | 11/12/15 | 10/01/25 | 2.30 % | 100 | 70 | 7 |
| General Obligation Corporate Purpose Bonds, Series 2016A | 11/10/16 | 09/01/31 | 2.55 % | 20,471 | 19,006 | 3,463 |
| Taxable General Obligation Mass Transit QECB Bonds, Series 2016B | 11/10/16 | 10/01/26 | 1.99 % | 152 | 122 | 11 |
| General Obligation Corporate Purpose Notes Series 2016D | 11/10/16 | 09/01/20 | 2.00 % | 6,576 | 3,286 | 99 |
| General Obligation Corporate Purpose Refunding Bonds, Series 2016E | 11/10/16 | 12/01/22 | 2.78 % | 16,216 | 10,500 | 793 |
| General Obligation Corporate Purpose Bonds, Series 2017A | 11/08/17 | 09/01/27 | 2.21 % | 19,202 | 17,278 | 1,925 |
| General Obligation Corporate Purpose Refunding Bonds, Series 2017B | 11/08/17 | 12/01/23 | 2.63 % | 14,972 | 12,429 | 938 |
| General Obligation Corporate Purpose Notes Series 2017C | 11/08/17 | 09/01/21 | 2.10 % | 6,615 | 4,960 | 211 |
| General Obligation Corporate Purpose Refunding Bonds, Series 2018A | 10/11/18 | 08/01/24 | 5.00 % | 40,718 | 40,718 | 7,744 |
| Taxable General Obligation Refunding Bonds, Series 2018B | 10/11/18 | 08/01/19 | 2.60 % | 4,225 | 4,226 | 89 |
| Taxable General Obligation Refunding Bonds, Series 2018C | 10/11/18 | 08/01/23 | 3.06 % | 7,060 | 7,060 | 606 |

## Note 8 - Long-Term Liabilities (cont'd)

| Bond Issue | Date of Bond | Final Maturity Date | Average Interest Rate | Original Indebtedness | Principal Outstanding 12/31/2018 | Interest to Maturity |
|---|---|---|---|---|---|---|
| General Obligation Corporate Purpose Bonds, Series 2018D | 11/15/18 | 08/01/28 | 3.15 % | $ 11,148 | $ 11,148 | $ 1,828 |
| General Obligation Promissory Notes, Series 2018E | 11/15/18 | 08/01/22 | 3.00 % | 8,130 | 8,130 | 595 |
| Taxable General Obligation Promissory Notes, Series 2018F | 11/15/18 | 08/01/23 | 3.10 % | 6,360 | 6,360 | 534 |
| **Total Governmental Activities - General Obligation Debt** | | | | | **$ 532,914** | **$ 131,685** |
| Premium | | | | | 7,744 | |
| Discount | | | | | - | |
| **Total Governmental Activities - General Obligation Debt, Net** | | | | | **$ 540,658** | |
| Bonds and Notes Payable - General Obligation (Current Liabilities) | | | | | $ 62,755 | |
| Bonds and Notes Payable - General Obligation (Non-current Liabilities) | | | | | 477,903 | |
| **Total Debt per Statement of Net Position - Governmental Activities** | | | | | **$ 540,658** | |

## Note 8 - Long-Term Liabilities (cont'd)

**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 $161,055 of revenue bonds issued in previous years. Proceeds from the revenue bonds provided financing for capital improvements. The bonds are payable solely from net revenues and deposits made to the Coverage Fund, and are payable through December 1, 2038. The Coverage Fund is equal to 25% of the highest annual revenue bond debt service amount. Net revenues plus Coverage Fund assets are required to cover a minimum of 125% of annual debt service for the revenue bonds. Principal and interest paid for the current year and net revenues plus Coverage Fund assets are $19,309 and $30,805 respectively, resulting in net revenues plus Coverage Fund assets of 160% of annual debt service for 2018. The principal and interest payment of $19,309 represents 21% of operating revenues. The total principal and interest remaining to be paid on the revenue bonds is $228,450.

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

| December 31 | Principal | Interest | Total Debt Service Requirements |
|---|---|---|---|
| 2019 | $ 14,517 | $ 8,975 | $ 23,492 |
| 2020 | 15,027 | 8,411 | 23,438 |
| 2021 | 15,644 | 7,741 | 23,385 |
| 2022 | 15,874 | 7,070 | 22,944 |
| 2023 | 16,449 | 6,354 | 22,803 |
| 2024-2028 | 59,061 | 22,274 | 81,335 |
| 2029-2033 | 38,921 | 9,476 | 48,397 |
| 2034-2038 | 17,300 | 2,553 | 19,853 |
| **Total Debt Service** | **$ 192,793** | **$ 72,854** | **$ 265,647** |

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

## Note 8 - Long-Term Liabilities (cont'd)

| Bond Issue | Date of Bond | Final Maturity Date | Average Interest Rate | Original Indebtedness | Principal Outstanding 12/31/2018 | Interest to Maturity |
|---|---|---|---|---|---|---|
| General Airport Revenue Bonds, Series 2009A | 12/21/09 | 12/01/32 | 4.90 % | $ 12,690 | $ 9,615 | $ 3,620 |
| General Obligation Corporate Purpose Bonds, Series 2010C | 12/21/10 | 10/01/26 | 4.90 % | 10,958 | 7,863 | 2,112 |
| General Airport Revenue Refunding Bonds, Series 2010B | 10/14/10 | 12/01/23 | 3.75 % | 51,590 | 19,455 | 2,785 |
| General Airport Revenue Bonds, Series 2010A | 10/14/10 | 12/01/34 | 4.30 % | 31,570 | 27,275 | 12,054 |
| General Obligation Refunding Bonds, Series 2012A | 12/20/12 | 12/01/20 | 1.00 % | 1,301 | 343 | 18 |
| General Airport Revenue Bonds, Series 2013A | 08/14/13 | 12/01/38 | 4.88 % | 47,095 | 42,595 | 26,980 |
| General Airport Revenue Refunding Bonds, Series 2013B | 08/14/13 | 12/01/22 | 2.81 % | 3,330 | 1,400 | 114 |
| General Airport Revenue Refunding Bonds, Series 2014A | 11/06/14 | 12/01/29 | 3.10 % | 23,655 | 18,975 | 6,153 |
| Taxable General Obligation Corporate Purpose Bonds, Series 2014A | 11/06/14 | 12/01/29 | 2.60 % | 31 | 25 | 5 |
| General Obligation Corporate Purpose Bonds, Series 2015A | 11/12/15 | 10/01/30 | 2.73 % | 240 | 209 | 39 |
| General Obligation Refunding Bonds, Series 2015B | 11/12/15 | 10/01/21 | 2.70 % | 428 | 206 | 12 |
| Taxable General Obligation Mass Transit QECB Bonds, Series 2015D | 11/12/15 | 10/01/25 | 2.30 % | 4,760 | 3,320 | 337 |
| General Airport Revenue Refunding Bonds, Series 2016A | 11/10/16 | 12/01/32 | 5.00 % | 46,165 | 41,740 | 15,689 |
| General Obligation Corporate Purpose Bonds, Series 2016A | 11/10/16 | 09/01/31 | 2.55 % | 5,034 | 4,674 | 852 |
| Taxable General Obligation Mass Transit QECB Bonds, Series 2016B | 11/10/16 | 10/01/26 | 1.99 % | 6,968 | 5,568 | 522 |
| General Obligation Corporate Purpose Notes Series 2016D | 11/10/16 | 09/01/20 | 2.00 % | 889 | 444 | 12 |
| General Obligation Corporate Purpose Refunding Bonds, Series 2016E | 11/10/16 | 12/01/22 | 2.78 % | 114 | 75 | 6 |
| General Obligation Corporate Purpose Bonds, Series 2017A | 11/08/17 | 09/01/21 | 2.21 % | 1,553 | 1,397 | 156 |
| General Obligation Corporate Purpose Refunding Bonds, Series 2017B | 11/08/17 | 09/01/20 | 2.63 % | 103 | 86 | 6 |
| General Obligation Corporate Purpose Refunding Bonds, Series 2018A | 10/11/18 | 08/01/24 | 5.00 % | 6,172 | 6,172 | 1,174 |
| Taxable General Obligation Refunding Bonds, Series 2018B | 10/11/18 | 08/01/19 | 2.60 % | 100 | 100 | 2 |

## Note 8 - Long-Term Liabilities (cont'd)

| Bond Issue | Date of Bond | Final Maturity Date | Average Interest Rate | Original Indebtedness | Principal Outstanding 12/31/2018 | Interest to Maturity |
|---|---|---|---|---|---|---|
| General Obligation Corporate Purpose Bonds, Series 2018D | 11/15/18 | 08/01/28 | 3.15 % | $ 1,256 | $ 1,256 | $ 206 |
| **Total Business-type - General Obligation and Revenue Bond Debt** | | | | | **$ 192,793** | **$ 72,854** |
| Premium | | | | | 11,195 | |
| Discount | | | | | (1,347) | |
| **Total Business-type - General Obligation and Revenue Bond Debt** | | | | | **$ 202,641** | |
| - | | | | | | |
| Bonds and Notes Payable - General Obligation (Current Liabilities) | | | | | $ 3,392 | |
| Bonds and Notes Payable - Revenue (Current Liabilities) | | | | | 11,125 | |
| Bonds and Notes Payable - General Obligation (Non-current Liabilities) | | | | | 29,105 | |
| Bonds and Notes Payable - Revenue (Non-current Liabilities) | | | | | 159,019 | |
| **Total Debt per Statement of Net Position - Business-type Activities** | | | | | **$ 202,641** | |

## Note 9 - Net Position

The various components of the County's Restricted Net Position reported in the governmental and proprietary funds as of December 31, 2018 are as follows:

| Type | Governmental Activities | Business-type Activities |
|---|---|---|
| 2020 Appropriations | $ 5,000 | $ - |
| 2019 Appropriations | 4,798 | - |
| Administrative Services | 5,313 | - |
| Airports - PFC and Debt | 44,839 | - |
| Behavioral Health Division | 40,133 | - |
| Capital Asset Needs | - | 20,986 |
| Capital Project Commitments | 34,501 | - |
| Commitments - Expendable | 15,661 | 4,855 |
| Debt Service | 47,782 | 17,777 |
| Delinquent Property Tax | 9,408 | - |
| Fleet and Facilities Divisions | 9,582 | - |
| Housing | 680 | - |
| Parks | 1,700 | - |
| Persons with Disabilities | 108 | - |
| Zoo | 1,975 | - |
| **Total Net Position - Restricted** | **$ 221,480** | **$ 43,618** |

### Discretely Presented Component Units

The Restricted Net Position of the **Milwaukee Public Museum, Inc.** as of December 31, 2018 consists of the following:

| Temporarily Restricted: | 2018 |
|---|---|
| Capital Campaign - Debt | $ 1,022 |
| Educational programs | 1,401 |
| Endowment Fund: | |
| Internship Programs | 91 |
| Purchase and Maintenance of Collections | 480 |
| Exhibits and Museum Renovations | 56 |
| Purchase and maintenance of Collections | 529 |
| Restricted for Time | 704 |
| **Subtotal Temporarily Restricted Net Position** | **$ 4,283** |

| Permanently Restricted: | |
|---|---|
| Operations | $ 2,573 |
| Special Exhibits | 1,137 |
| Starr Adventure and Internship | 79 |
| **Subtotal Permanently Restricted Net Position** | **3,789** |
| **Total Net Position - Restricted** | **$ 8,072** |

## Note 9 - Net Position (cont'd)

The Restricted Net Position of the **Milwaukee County War Memorial, Inc.** as of December 31, 2018 consists of the following:

| Temporarily Restricted: | 2018 |
|---|---|
| 9/11 Memorial Fund | $ 4 |
| Congressional Medal of Honor Fund | 1 |
| Education Program | 6 |
| Memorial Day Parade Fund | 1 |
| MIA/POW programs | 10 |
| Other | 1 |
| Purple Heart Memorial Fund | 5 |
| Restricted for Time - Pledges Receivable | 110 |
| Vet Fest Fund | 9 |
| Vietnam Veterans Memorial | 14 |
| **Total Temporarily Restricted Net Position** | **$ 161** |

The Restricted Net Position of the **Marcus Center for the Performing Arts** as of December 31, 2018 consists of the following:

| Temporarily Restricted: | 2018 |
|---|---|
| None | $ - |

### Restatement of Net Position

Net Position has been restated as a result of the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension. As a result of this change in the accounting standards, the net position as of January 1, 2018 has been adjusted for the change in the liability for Other Post-Employment Benefits, and to establish a deferred outflow of resources associated with contributions made after the measurement date. Measurement date for the 2018 balance was January 1, 2018.

| | Net Position (Deficit) - December 31, 2017 (as reported) | Adjust Other Post Employment Benefits | Deferred Outflow - Contributios Made after Measurement Date | Net Position (Deficit) - December 31, 2017 (as restated) |
|---|---|---|---|---|
| Governmental Funds | $ (507,721) | $ (936,582) | $ 58,583 | $ (1,385,720) |
| Internal Service Funds | 234 | (13,211) | 895 | (12,082) |
| Total Governmental Activities | **(507,487)** | **(949,793)** | **59,478** | (1,397,802) |
| Airports | 290,686 | (32,320) | 2,312 | 260,678 |
| Transit System | 14,167 | (297,309) | 16,948 | (266,194) |
| Business-type Activities | **304,853** | **(329,629)** | **19,260** | (5,516) |
| Total Primary Government | **(202,634)** | **(1,279,422)** | **78,738** | (1,403,318) |
| Component Units | 41,925 | - | - | 41,925 |
| Total Reporting Entity | **$ (160,709)** | **$ (1,279,422)** | **$ 78,738** | $ (1,361,393) |

## Note 10 - Risk Management

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

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

The County has recognized $23,320 of claims liabilities in the Risk Management Fund. The short-term portion is $9,120 and is classified as a current liability.

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

| | Year Ended 12/31/2018 | Year Ended 12/31/2017 |
|---|---|---|
| Beginning of Year Liability | $ 23,390 | $ 18,678 |
| Current Year Claims and Changes in Estimates | 5,594 | 11,444 |
| Claims Payments | (5,664) | (6,732) |
| **End of Year Liability** | **$ 23,320** | **$ 23,390** |

The Transit System has recognized $8,382 of claims liabilities in the Transit System Fund. The short-term portion is $6,203 and is classified as a current liability.

Changes in the Transit System balances of claims liabilities during the past two years are as follows:

| | Year Ended 12/31/2018 | Year Ended 12/31/2017 |
|---|---|---|
| Beginning of Year Liability | $ 8,526 | $ 7,833 |
| Current Year Claims and Changes in Estimates | 2,813 | 5,698 |
| Claims Payments | (2,957) | (5,005) |
| **End of Year Liability** | **$ 8,382** | **$ 8,526** |

## Note 11 - Related Party Transactions

**Milwaukee Public Museum, Inc.**

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

On August 15, 2013, Milwaukee County and MPM entered into a new Lease and Management Agreement (“New Agreement”) to replace and supersede the original agreement and all subsequent amendments. The New Agreement provided for a $3,000 County contribution to the MPM Pension Plan for former County employees that was paid in August 2013, extended annual MPM funding support to 2022, and provided additional capital spending up to $4,000 on the facility through December 2017.

In September 2018, the County and MPM Inc. amended some of the terms. Based on the most current terms, MPM, Inc. is required to raise additional funds to eliminate its outstanding term debt which was extinguished on December 13, 2017 and raise $5,000 by December 2020 to support additional capital spending related to site, building, exhibits or donor commitments for its relocation strategy. At August 31, 2018, MPM has raised $2,796 towards the $5,000 capital spending requirement. The new agreement is renewable every five years through December 31, 2042.

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

**Milwaukee County War Memorial, Inc.**

On December 18, 2017, Milwaukee County, the War Memorial and the Milwaukee Art Museum, Inc. established Lakefront Cultural Center Condominium Association (the "Association"), with each party sharing an equal controlling interest. Under the terms of the Condominium Agreement, the County approved a transfer of ownership to the War Memorial of the portions of the War Memorial Center Facility occupied by the War Memorial at that time. The value of the property received by the War Memorial was appraised at $11,400. The War Memorial is prohibited from conveying or mortgaging title to the transferred property without consent of the other members of the Association. Subject to annual approval, the County will continue to support the War Memorial at $486 per year through 2023 and then at a diminishing level through 2033. The War Memorial has determined that the County's planned support constitutes a conditional promise to give and, accordingly recognizes the County's support as the conditions are satisfied.

The War Memorial, in cooperation with the County, applied for and received grants from the National Fish and Wildlife Foundation, the Fund for Lake Michigan, and the Milwaukee Metropolitan Sewerage District for current and future projects focusing on renovating parking lots while incorporating pedestrian friendly pathways, bioretention, porous pavements, and

## Note 11 - Related Party Transactions (cont'd)

native plants to manage stormwater along Milwaukee's shoreline. The total project is budgeted at $1,546 with the County responsible for overseeing construction and renovations. The County has also allocated $580 of unspent 2017 appropriations for repairs to the War Memorial Center Facility parking lot. The War Memorial is responsible for reporting on project progress and outcomes and funding future plant replacement as needed at an estimated cost of $5 annually. The project is expected to begin in 2019.

**Marcus Center for the Performing Arts**

The Marcus Center for the Performing Arts ("Marcus Center") has a lease with Milwaukee County ("County") which commenced on January 1, 2017 for occupancy. The initial term of the lease is through December 31, 2066 and the Marcus Center has rights to extend the lease to December 31, 2115. There is no base rent under the terms of the lease agreement. The Marcus Center is responsible for all the general administrative, operating, and mechanical functions of its occupied space. In conjunction with the lease, the County will continue to provide annual support for operations from County appropriations through December 31, 2025, and capital improvement support through December 31, 2026. Future support will be evaluated after the stated periods to determine continued financial support for the Marcus Center's function as a Milwaukee County War Memorial. The Marcus Center is required to establish a capital reserve and fund it annually to meet the annual capital obligations of the Marcus Center.

The County provided $875 for the operation of the Marcus Center for the year ended June 30, .

## Note 12 - Subsequent Events

**Milwaukee County**

There are no subsequent events to report at this time.

## Note 13 - Commitments and Contingencies

**Claims and Other Legal Proceedings**

The County is subject to numerous claims and other legal proceedings incidental to the ordinary course of its operations. For claims and other legal proceedings that are open at the end of 2018 but may be resolved in early 2019, a current liability was established in the general fund. For the remaining open items, although the outcome of these claims and legal proceedings is not presently determinable, in the opinion of the County's Corporate Counsel, the resolution of these matters will not have a materially adverse effect on the financial condition of the County.

**Environmental**

The County has sanitary sewer and storm sewer systems that it is responsible for on County land. The State Attorney General issued an order that requires monitoring, maintenance, and repair of these systems. The purpose of this order is to ensure that the metropolitan areas sanitary sewer systems receive only sanitary system flow, and not storm water, from the County. The order will require future capital and operating commitments. For 2018, the commitment is $653.

## Note 13 - Commitments and Contingencies (cont'd)

The County has various environmental commitments that will require future capital and operating commitments that are not specifically court mandated. The 2018 commitments include: Landfills: $40 and underground storage tank management: $256.

### Intergovernmental Awards

Intergovernmental awards are subject to audit and adjustment by the funding agency or their representatives. If grant revenues are received for expenditures, which are subsequently disallowed, the County may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, would not be material to the accompanying government-wide and fund financial statements at December 31, 2018.

## Note 14 - Other Post-Employment Benefits

### COUNTYWIDE PROGRAMS (EXCLUDING TRANSIT SYSTEM)

### Description and Provisions

The County administers a single-employer defined benefit healthcare and life insurance plans for retired employees. The plans provide health and life insurance for eligible retirees and their eligible spouses through the County's self-insured health insurance plans and the County's group life insurance plan. The retiree healthcare and life insurance plans do not issue separate financial reports. The retiree healthcare benefits are authorized by County Ordinance 17.14. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The retirement health insurance premium is non-contributory for retirees with 15 or more years of service who were hired before January 1, 1994, except for certain union groups which have a later cutoff date for this benefit. Retirees with non-contributory health insurance benefits who retired prior to January 1, 2012 (or January 1, 2013 for nurses) also receive reimbursement of the Medicare Part B premium for themselves and their covered spouses. Employees eligible for non-contributory health insurance benefits who retire after December 31, 2011 (or December 31, 2012 for nurses) are not eligible for Medicare Part B reimbursement.

Retirees with less than 15 years of service and/or hired after January 2, 1994 are responsible for the full cost of the health insurance premiums upon retirement and are not eligible for Medicare Part B premium reimbursement. For these retirees, any unused eligible sick leave at retirement is converted to health credits for the purchase of retiree health insurance. The health credit is capped to the unused sick leave balance as of June 23, 2012 less any subsequent usage. See Note 1, section D and item 1 for additional information regarding the County's accrued sick leave liability as of December 31, 2018.

Retiree life insurance benefits are authorized by County Ordinance 62.02. A retiree is eligible if covered by life insurance at the time of the retirement and if retirement takes place at age: 60 or older, 55 or older with thirty or more years of service, or 57 or older in the case of deputy sheriffs. The life insurance benefit is equal to the retiree's annual salary at the time of retirement, rounded to the next highest $1. Milwaukee County provides the first $25 ($20 for select bargaining units) for retirees under age 65. The retiree is responsible for the cost of

## Note 14 - Other Post-Employment Benefits (cont'd)

additional coverage at the rate of $0.40 per thousand. At age 65, the plan becomes non-contributory and the original life insurance benefit reduces by 8% per year beginning at age 65 to 25% at age 70 and over.

**Employees Covered by Benefit Terms**

At December 31, 2018 the following employees were covered by the benefit terms:

| | Medical | Life |
|---|---|---|
| Inactive employees or beneficiaries currently receiving benefit payments | 5,672 | 5,912 |
| Inactive employee entitled to but not yet receiving benefit payments | 201 | - |
| Active employees | 431 | 4,139 |
| Total | **6,304** | **10,051** |

**Total OPEB Liability**

The County's total OPEB liability of $1,345,670 was measured as of December 31, 2017 and was determined by an actuarial evaluation as of January 1, 2018.

**Actuarial Assumptions and other input**

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Inflation | 3.0% |
| Salary increases | 4% |
| Healthcare cost trend rates | 7.0% for 2018 , 6% for 2019, 5% for 2020 and later years |
| Actuarial cost method | Entry Age |

The discount rate was based on the 20 year AA Municipal Bonds: 3.2%.

Mortality rates were based on the RP-2014 Mortality Fully Generational using Projection Scale MP-2017.

**Changes in the Total OPEB Liability**

| | **Total OPEB Liability** |
|---|---|
| Balances at 12/31/2017 | $ 1,358,251 |
| Changes for the Year | |
| Service Cost | 7,483 |
| Interest | 42,715 |
| Difference between expected and actual experience | (989) |
| Benefit payments | (61,790) |
| Net Changes | **(12,581)** |
| **Balances at 12/31/2018** | **$ 1,345,670** |

## Note 14 - Other Post-Employment Benefits (cont'd)

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of Milwaukee County, as well as what the County's total OPEB liabiltiy would be if it were calculated using a discount rate that is 1-percentage-point lower (2.2%) or 1-percentage-point higher (4.2%) than the current discount rate:

| | 1% Decrease (2.2%) | Discount Rate (3.2%) | 1% Increase (4.2%) |
|---|---|---|---|
| Total OPEB Liability | $ 1,552,085 | $ 1,345,670 | $ 1,180,393 |

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate**

The following presents the total OPEB liability of Milwaukee County, as well as what the County's total OPEB liabiltiy would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower (6% decreasing to 4%) or 1-percentage-point higher (8% decreasing to 6%) than the current healthcare cost trend rates:

| | 1% Decrease (6% for 2018 decreasing to 4%) | Healthcare Cost Trend Rates (7% for 2018 decreasing to 5%) | 1% Increase (8% for 2018 decreasing to 6%) |
|---|---|---|---|
| Total OPEB Liability | $ 1,184,079 | $ 1,345,670 | $ 1,544,116 |

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2018, the county recognized OPEB expense of $50,107. At December 31, 2018, the County reported as deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Inflows of Resources |
|---|---|
| Differences between expected and actual experience | $ 989 |
| Total | **$ 989** |

## Note 14 - Other Post-Employment Benefits (cont'd)

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

| | Total |
|---|---|
| **Year ended December 31** | |
| 2019 | $ 186 |
| 2020 | 186 |
| 2021 | 186 |
| 2022 | 186 |
| 2023 | 186 |
| Thereafter | 59 |

**TRANSIT SYSTEM PROGRAM**

**Description and Provisions**

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

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

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

Effective January 1, 2012, for surviving spouses not eligible for Medicare and dependent children, the Company will pay one-half (½) of the health insurance premium until the spouse becomes eligible for Medicare or remarries, provided the employee has completed at least fourteen years of service.

The Company pays the full premiums on a term life insurance policy for all eligible retired employees at the face value in effect at the time of retirement. The face value of life insurance for employees who retired before April 1, 2001 range from $500 (five hundred) to $16,500 (sixteen thousand five hundred), who retired between April 1, 2001 and March 31, 2007 is $8,500 (eight thousand five hundred), and retired after April 1, 2007 is $9,000 (nine thousand).

## Note 14 - Other Post-Employment Benefits (cont'd)

### Employees Covered by Benefit Terms

At December 31, 2018 the following employees were covered by the benefit terms:

| | Participants |
|---|---|
| Inactive employees or beneficiaries currently receiving benefit payments | 1,055 |
| Inactive employees entitled to but not yet receiving benefit payments | - |
| Active employees | 400 |
| | **1,455** |

### Actuarial Assumptions

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Actuarial cost method | Entry Age |
| Inflation | 3.0% |
| Salary increases | 3.0% |
| Investment rate of return | 7.25% |
| Healthcare cost trend | 7.0% in 2018, 7.5% in 2019 decreasing by 0.5% annually to 5.0% for 2024 and later |
| Mortality | RP-2014 Mortality for Blue Collar Workers Fully Generational using Projection Scale MP-2016 |

The discount rate used to measure the total OPEB liability was 3.5%.

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the to reflect the current population.

### Investments

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation.

For the plan year ended December 31, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 15.09% percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the cha nging amounts actually invested

### Net OPEB Liability

The Company's net OPEB liability was measured as of December 31, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2018.

## Note 14 - Other Post-Employment Benefits (cont'd)

### Changes in Net OPEB Liability

| | Total OPEB Liability (a) | Plan Fiduciary Position (b) | Net OPEB Liability (a) - (b) |
|---|---|---|---|
| Balances at 12/31/17 | $ 381,272 | $ 83,963 | $ 297,309 |
| **Changes for the Year** | | | |
| Service Cost | 4,784 | - | 4,784 |
| Interest | 13,320 | - | 13,320 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | (192) | - | (192) |
| Changes of assumptions or other inputs | - | - | - |
| Contributions-employer | - | 16,948 | (16,948) |
| Net investment income | - | 13,120 | (13,120) |
| Benefit payments | (10,981) | (10,981) | - |
| Administrative expense | - | (157) | 157 |
| Net Changes | **6,931** | **18,930** | (11,999) |
| Balances at 12/31/2018 | **$ 388,203** | **$ 102,893** | $ 285,310 |

### Sensitivity of the Net OPEB Liability to changes in the Discount Rate

The following presents the net OPEB liability of the Company, as well as what the Company's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5%) or 1-percentage-point higher (4.5%) than the current discount rate:

| | 1% Decrease (2.5%) | Discount Rate (3.5%) | 1% Increase (4.5%) |
|---|---|---|---|
| Net OPEB Liability (Asset) | $ 356,412 | $ 285,310 | $ 229,410 |

### Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB libility of the Company, as well as what the Company's net OPEB libility would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6^ for 2018 then 6.5% decreasing to 4%) or 1-percentage-point higher (8% for 2018 then 8.5% decreasing to 6%) than the current healthcare cost trend rates:

| | 1% Decrease (6% for 2018 then 6.5% decreasing to 4%) | Healthcare Cost Trend Rates (7% for 2018 then 7.5% decreasing to 5%) | 1% Increase (8% for 2018 then 8.5% decreasing to 6%) |
|---|---|---|---|
| Net OPEB Liability (Asset) | $ 227,815 | $ 285,310 | $ 358,463 |

## Note 14 - Other Post-Employment Benefits (cont'd)

For the year ended December 31, 2018, the Company recognized OPEB expense of $11,799. At December 31, 2018, the Company reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

| | Deferred Inflow of Resources |
|---|---|
| Differences between expected and actual experience | $ 192 |
| Net difference between expected and actual earnings on OPEB plan investments | 6,815 |
| Total | **$ 7,007** |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follow:

| | Total |
|---|---|
| **Year ended December 31** | |
| 2019 | $ (1,400) |
| 2020 | (1,400) |
| 2021 | (1,400) |
| 2022 | (1,400) |
| 2023 | (1,400) |
| Thereafter | (7) |

**Summary of Other Post-Employment Benefits Information**

- OPEB liability - $1,630,980
- OPEB asset - None
- Deferred outflows of resources - $77,475
- Deferred inflows of resources - $7,996
- OPEB expense - $61,906

## Note 15 - Employee Retirement System and Pension Plans

**COUNTYWIDE PROGRAM (EXCLUDING TRANSIT SYSTEM)**

**Plan Description and Provisions**

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

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

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

The Retirement System is a single-employer defined benefit plan that was created to encourage qualified personnel to enter and remain in the service of the County of Milwaukee (the “County”) by providing for a system of retirement, disability and death benefits to or on behalf of its employees. Under Chapter 201 of the Laws of Wisconsin for 1937, the County was mandated to create the Retirement System as a separate legal entity. The County did so by passing Section 201.24 of the General Ordinances of Milwaukee County. The authority to manage and control the Retirement System is vested in the Pension Board. The Pension Board consists of ten members - three members appointed by the County Executive (subject to confirmation by the County Board of Supervisors), three employee members elected by active employee members, two members appointed by the County Board chairperson, one member appointed by the Milwaukee Deputy Sheriffs’ Association and one retiree member elected by retirees.

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

### Contributions

The Retirement System had been substantially non-contributory. However, starting in 2011, selected members began making mandatory contributions. Most full-time, regularly-appointed employees were required to make contributions starting in 2012. In 2018, the employee contribution percentages range from 6.5% to 8.3% of compensation. These percentages may change from year to year based on an analysis performed by the Retirement System's actuary.

Employees who terminate County employment and are not eligible for an immediate pension payment may request a refund of all accumulated contributions made, with simple interest at 5% annum. Effective December 19, 2013, employees who terminate employment with the County must request a refund of accumulated contributions within one hundred eighty (180) days of terminating County employment. Prior to December 19, 2013, terminated employees had sixty (60) days to request a refund of their contributions. The Retirement System will send

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

an employee who terminates a written notice of the refund option. Any employee receiving this refund will forfeit his or her service credit and will no longer be a member of ERS.

Contributions due from the County to the Retirement System consist of actuarially determined amounts sufficient to fund the annual service cost and interest on and amortization of the net pension liability less the expected contributions from the participants.

In 2012, the County started receiving contributions from the State of Wisconsin ("the State") for members who were transferred from Milwaukee County to the State for future service. As a result of the agreement between the State and the County, non-vested members of the Retirement System are able to continue to accrue pension benefits with the ERS, while they are employed with the State. Once the member is vested, they are transferred to the State retirement plan unless they remain in the same position and opt to remain in the Milwaukee County ERS plan. The State employees are required to contribute 6.5% of their wages to ERS in 2018 and 6.5% in 2017; the State contributes the same percentages to the County.

The County makes contributions to the Retirement System based upon Actuarially Determined Contributions and legal requirements, at the discretion of the County Board. Data used in the determination of the contribution is based upon the prior fiscal year's demographics. The actual contribution made to the pension plan is set during the County's budget process and may differ from the Actuarially Determined Contribution as a result of changes in plan provisions implemented subsequent to establishment of the Actuarially Determined Contribution and budgetary restraints. During the year, the Retirement System accrues those contributions that the County has included in its current year's budget. The County contribution recorded by the Retirement System is $2,407 greater than and $192 greater than, the Actuarially Determined Contribution in 2018 and 2017, respectively.

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

**Employee's Retirement System ("ERS")**

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

| | 2018 | 2017 |
|---|---|---|
| Retiree and beneficiaries currently receiving benefits | 8,037 | 8,063 |
| Vested and terminated employees not yet receiving benefits | 1,371 | 1,394 |
| Current employees | 3,502 | 3,488 |
| Total participants | 12,910 | 12,945 |

Membership data above is as of January 1, 2018 and 2017, respectively, the date of the actuary report used to determine the total pension liability for each year and reasonably approximates membership data through December 31, 2018 and 2017, respectively.

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

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

For most members, the normal retirement age is either 60 or 64 depending on ERS enrollment date and collective bargaining agreement. A few labor agreements require a minimum of 5 years creditable service in addition to the age requirement. For deputy sheriff members, the normal retirement age is 57 or age 55 with 15 years of creditable service. Depending on enrollment date and collective bargaining agreement, some active members are eligible to retire when their age added to their years of creditable service equals 75 (the “Rule of 75”). The multiplier is determined by Ordinance, collective bargaining agreement and ERS enrollment date. The applicable multiplier percentages are 1.5%, 1.6%, 2.0% and 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 agreements. 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 salary.

For some members, depending on enrollment date and collective bargaining agreement, the member may elect to receive a backdrop benefit. This benefit permits an employee to receive a lump-sum payment plus a monthly pension benefit upon retirement. The lump-sum payment is the total of the monthly pension amounts, adjusted for post retirement increases that a member would be entitled to from a prior date (“backdrop date”) to the date that the member terminates employment plus compounded interest. The backdrop date must be at least one calendar year prior to the termination date and the member must have been eligible to retire as of that date. The member will be entitled to a post-retirement increase based on the backdrop date once the member terminates employment.

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

A member who meets the requirements for an accidental disability retirement benefit is entitled to an amount computed in the same manner as a normal pension but not less than 60% of the member’s final average salary (75% for a represented deputy sheriff). The ordinary disability pension benefit will not be less than 25% of the member's final average salary. A total of 15 years of creditable service is required to apply for ordinary disability.

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

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

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

A member who becomes eligible for normal retirement, but continues to work may elect a Protective Survivorship Option ("PSO") designating a person to receive a pension (100% option) in the event of their death while in active service. Previously there had been a 50% option for PSO's; however, on December 17, 2015, the County Board amended Ordinance 201.24(7.1) and removed that option. The PSO election must be filed in writing on an approved form. In the absence of an election, a surviving spouse will be paid a 100% survivorship pension.

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

**OBRA 1990 Retirement System of the County of Milwaukee ("OBRA")**

The County established the OBRA 1990 Retirement System of the County of Milwaukee ("OBRA") to cover seasonal and certain temporary employees who are not enrolled in the Retirement System. Assets of the OBRA plan are commingled for investment purposes with the assets of the Retirement System. The assets of the Retirement System are legally available to pay the benefits of either the ERS or OBRA plans and all assets have been commingled. The Retirement System and OBRA are considered a single plan for financial reporting purposes.

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

| | 2018 | 2017 |
|---|---|---|
| Retiree and beneficiaries currently receiving benefits | 53 | 55 |
| Vested and terminated employees not yet receiving benefits | 5,371 | 5,961 |
| Current employees | 288 | 354 |
| Total participants | 5,712 | 6,370 |

Membership data above is as of January 1, 2018 and 2017, respectively, the date of the actuary report used to determine the total pension liability for each year and reasonably approximates membership data through December 31, 2018 and 2017, respectively.

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

Net position identified for OBRA benefits as of December 31, 2018 is as follows:

| Statement of Fiduciary Net Position | 2018 |
|---|---|
| Assets: | |
| Cash | $ 37 |
| Assets held for Retirement System | 2,912 |
| Total Assets | 2,949 |
| Liabilities: | |
| Taxes Payable | 5 |
| Net Position restricted for Pension Benefits | $ 2,944 |

Changes in plan net position available for benefits for OBRA for the year ended December 31, 2018 are as follows:

| Statement of Changes in Fiduciary Net Position | 2018 |
|---|---|
| Contributions from the County | $ 836 |
| Contributions from the County-Admin | 68 |
| Investment Income | 347 |
| Investment and administrative expenses | (229) |
| Benefits Paid | (284) |
| Net decrease in net position restricted for pension benefits | $ 738 |

### Summary of Significant Accounting Policies

**Basis of Accounting** – The ERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed and expenses are recorded when the corresponding liabilities are incurred. Benefits payments to members are recognized in the period in which the payment was due to the member.

**Investments** – Investments, primarily stocks, bonds, certain government loans and mortgage-backed certificates, are stated at quoted fair value. Temporary cash investments are valued at cost, which approximates fair value. Investments in venture capital partnerships, real estate, long/short hedge and infrastructure are valued at estimated fair value, as provided by the Retirement System's investment managers. Investment transactions are recorded on the trade date. Dividends and interest are recorded as earned. Realized gains and losses are computed based on the average cost method. Unrealized gains and losses in the fair value of investments represent the net change in the fair value of the investments held during the period.

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

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

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

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

**Expenses** - Administrative expenses incurred by the County related to the Retirement System are considered additional County contributions-administrative, paid in the month they are incurred, retroactively effective January 1, 2018. Prior to 2018, these expenses were payable by the Retirement System to the County.

**Income Taxes** - Management has submitted to the Internal Revenue Service, as part of a Voluntary Compliance Program, any compliance issues that have been discovered through a self-administered review where the provisions contained in the Internal Revenue Code, the County Pension Ordinances or Pension Rules differ from actual practice. Management received a response from the Internal Revenue Service regarding what actions were required to bring the pension system into compliance in all of its practices in order to maintain its tax-qualified status and completed the corrections required by December 31, 2016 at a cost of $14,151. The majority of the cost resulted from a correction to the mortality tables used to calculate joint and survivor benefits for members who retired between 2001 and 2008. Management has submitted a supplemental report to the IRS in 2014 that details any new compliance issues and the review is still in process.

### Deposit and Investment Risk Disclosure

**Securities 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 Northern Trust, 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 2018 and 2017, the net investment income realized from security lending is $89 and $78, respectively.

ERS also invests in several commingled funds managed by Mellon Capital Management that participates in securities lending programs. The earnings and losses attributable to the

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

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, 2018 are as follows:

| | Securities Lent | Collateral |
|---|---|---|
| Securities Lent for Cash Collateral | $ 32,899 | $ 33,534 |
| Grand Total | **$ 32,899** | **$ 33,534** |
| Percent Collateral to Securities Loaned | | 101.93 % |

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

The collateral received from securities lending transactions includes cash of $33,534 for the year ended December 31, 2018. Under the terms of the securities lending agreement, the Retirement System has the right to sell or pledge the cash collateral.

At year-end, the Retirement System has no credit risk exposure to borrowers because the amounts the Retirement System owes the borrowers exceed the amounts the borrowers owe the Retirement System. The contract with the Retirement System's custodian requires it to indemnify the Retirement System if a borrower fails to return the securities (and if the collateral is inadequate to replace the securities lent) or fails to pay the Retirement System for income distributions by the securities' issuers while the securities are on loan.

**Financial Instruments with Off-Balance Sheet Risks**

A currency forward is a contractual agreement between two parties to pay or receive amounts of foreign currency at a future date in exchange for another currency at an agreed-upon exchange rate. Forward commitments are entered into with the foreign exchange department of a bank located in a major money market. These transactions are entered into in order to hedge risks from exposure to foreign currency rate fluctuations. Recognition of realized gain or loss depends on whether the currency exchange rate has moved favorably or unfavorably to the contract holder upon termination of the contract. Prior to termination of the contract, the Retirement System records the amount receivable or payable at fair value, with the unrealized gain or loss reported as a component of net appreciation in fair value. All contracts are short-term in duration and mature within 90 days. The Retirement System did not hold any financial instruments with off-balance sheet risk as of December 31, 2018.

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

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

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

balance sheet obligation, as there are no balance sheet assets or liabilities associated with those contracts. The cash or securities to meet these obligations are held in the investment portfolio. All contracts are short-term in duration and mature within 90 days.

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

The futures contracts held by the Retirement System as of December 31, 2018 are as follows:

| | US Equity Investment Managers | Cash Used to Pay Benefits and Expenses | Total |
|---|---|---|---|
| Cash Held | $ 15,096 | $ 31,202 | $ 46,298 |
| **Futures Purchased:** | | | |
| Barclays AGG (Fixed Income) | - | 10,228 | 10,228 |
| MSCI EAFE (International Equity) | - | 5,405 | 5,405 |
| S&P 500 (US Equity) | 11,023 | 9,770 | 20,793 |
| Total Futures Purchased | 11,023 | 25,403 | 36,426 |
| Futures Above/(Below) Cash | $ (4,073) | $ (5,799) | $ (9,872) |
| Market Value | $ 18 | $ - | $ 18 |

### Contributions Required and Contributions Made

The Retirement System's funding policy provides for periodic County contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Payroll contribution rates are determined using the Aggregate Entry Age Normal method of funding. The Retirement System also uses the level percentage of payroll method to amortize the unfunded liability over a 30-year period. The significant actuarial assumptions used to compute the contribution requirements are the same as those used to compute the pension benefit obligation.

County contributions totaling $61,178 and $53,661 are recorded in 2018 and 2017, respectively. The 2018 and 2017 contributions are $2,407 and $192 above/(below) the Funding Contribution amount, respectively. The County contributions do not include contributions made by the members. Member contributions are $12,652 and $12,330 for the years ended December 31, 2018 and 2017, respectively. The change in member contribution is due to the increase in the employee contribution percentages of pensionable compensation to 6.5% - 8.3% in 2018 from 6.5% - 8.1% in 2017. See the Schedule of Employer and Other Contributions presented as Required Supplementary Information (RSI) immediately following the notes to the financial statements.

County contributions to OBRA totaling $904 and $833 are recorded in 2018 and 2017, respectively. The 2018 and 2017 contributions are $327 and $29 above/(below) the Funding Contribution amount, respectively. There are no member contributions for OBRA.

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

The 2018 contributions reflected in the Retirement System's financial statements are actuarially determined as of January 1, 2018. These amounts are included in the County's 2018 budget. The Retirement System's financial statements as of December 31, 2018 reflects the balance of unpaid 2018 contributions as a contribution receivable.

**Net Pension Liability**

The County's net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018.

The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.8% (includes 2.5% inflation), compounded annually, (b) projected payroll growth increases per year, averaging 3.5% for ERS and 4.5% for OBRA compounded annually, attributed to inflation, seniority and merit, and (c) post-retirement benefit increases, per year, of 2.0% for ERS and 3.0% for OBRA.

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

The actuarial assumptions used for ERS are based on the results of an actuarial experience study for the period January 1, 2012 through December 31, 2016. The actual assumptions used for OBRA are based on the results of an actuarial experience study for the period January 1, 2012 through December 31, 2016.

The long-term expected rate of return on pension plan investments is determined by using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of position plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018 are summarized in the following table:

| Asset Class | Policy | Expected Real Rate of Return |
|---|---|---|
| Fixed Income | 18.0 % | 0.8 % |
| Domestic common and preferred stocks | 25.0 % | 5.2 % |
| International common and preferred stocks | 20.0 % | 5.5 % |
| Long/Short hedge funds | 8.5 % | 4.2 % |
| Infrastructure | 8.5 % | 5.6 % |
| Real estate and REIT's | 10.0 % | 5.3 % |
| Private Equity | 10.0 % | 9.0 % |
| Estimated by ERS financial advisors | 100.0 % | |

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

**Discount rate** – The discount rate used to measure the total pension liability is 7.75%. The projection of cash flows used to determine the discount rate assumes that the Retirement System's contributions will continue to follow the current funding policy. Based on those assumptions, the Retirement System's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members.

**Changes in the Net Pension Liability**

| | Increases (Decreases) | | |
|---|---|---|---|
| Pension Plan: | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| **ERS:** | | | |
| Balances as of 12/31/2017 | $ 2,256,308 | $ 1,671,682 | $ 584,626 |
| **Charges for the year:** | | | |
| Service Cost | 15,191 | - | 15,191 |
| Interest | 173,929 | - | 173,929 |
| Differences between expected and actual experience | (2,920) | - | (2,920) |
| Change in Assumption | 63,931 | - | 63,931 |
| **Contributions:** | | | |
| Employer | - | 53,661 | (53,661) |
| Employee | - | 12,330 | (12,330) |
| Projected earnings on Pension Investments | - | 252,828 | (252,828) |
| Benefit payments, including refunds of employee contributions | (198,591) | (198,591) | - |
| Administrative expense | - | (5,502) | 5,502 |
| Net changes | 51,540 | 114,726 | (63,186) |
| Balances as of 12/31/2018 | $ 2,307,848 | $ 1,786,408 | $ 521,440 |
| **OBRA:** | | | |
| Balances as of 12/31/2017 | $ 4,606 | $ 1,515 | $ 3,091 |
| **Charges for the year:** | | | |
| Service Cost | 111 | - | 111 |
| Interest | 370 | - | 370 |
| Differences between expected and actual experience | 676 | - | 676 |
| Change in Assumption | 223 | - | 223 |
| **Contributions:** | | | |
| Employer | - | 833 | (833) |
| Employee | - | 242 | (242) |
| Benefit payments, including refunds of employee contributions | (179) | (179) | - |
| Administrative expense | - | (204) | 204 |
| Net changes | 1,201 | 692 | 509 |
| Balances as of 12/31/2018 | $ 5,807 | $ 2,207 | $ 3,600 |

**Sensitivity of the Net Pension Liability to changes in the discount rate** – The following presents the net pension liability of the ERS and OBRA pension plans, calculated using the discount rate of 7.75%, as well as what the ERS and OBRA's net pension liability would be if it

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

were calculated using a discount rate that is a 1-percentage point decrease (6.75%) or a 1-percentage point increase (8.75%) than the current rate:

| | 1% Decrease (6.5%) | Current Discount (7.75 %) | 1% Increase (8.75%) |
|---|---|---|---|
| ERS' net pension liability | $ 747,700 | $ 521,440 | $ 330,647 |
| OBRA's net pension liability | $ 4,564 | $ 3,600 | $ 2,852 |

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

For the year ended December 31, 2018, the County recognizes pension expense of $103,453 for ERS pension plan and $1,448 for OBRA pension plan. At December 31, 2018, the County is reporting deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Pension Plan | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| **ERS:** | | |
| Differences between expected and actual experience | $ 3,704 | $ 1,797 |
| Changes in Assumption | 39,342 | - |
| Net Difference between projected and actual earnings on pension plan investments | - | 39,173 |
| Total | $ 43,046 | $ 40,970 |
| **OBRA:** | | |
| Net Difference between projected and actual earnings on pension plan investments | $ - | $ 37 |
| Total | $ - | $ 37 |

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

| Year Ended December 31 | ERS | OBRA | Total |
|---|---|---|---|
| 2019 | $ 35,381 | $ 3 | $ 35,384 |
| 2020 | 12,880 | (1) | 12,879 |
| 2021 | (21,116) | (18) | (21,134) |
| 2022 | (25,069) | (21) | (25,090) |

### Payable to the Pension Plan

At December 31, 2018, the County has no outstanding payments due to the ERS or OBRA pension plans. The County has paid its pension contribution for the subsequent year and, therefore, has a deferred outflow of resources for pension contributions as of December 31, 2018 of $59,542 for ERS and $836 for OBRA. The current deferred outflow related to pension contributions will be recognized in the net pension liability for the year ended December 31, 2018.

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

### TRANSIT SYSTEM PROGRAM

### Plan Description and Provisions

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

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

All regular full-time employees of the Company are eligible to participate in the plan. An employee's normal retirement date is the earlier of:

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

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

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

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

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

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

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

An employee who has ten years of credited service and who becomes totally and permanently disabled before normal retirement date may retire and receive a disability retirement benefit calculated as their accrued benefit on the date of disability, payable immediately. The minimum annual disability benefit is $3,000 (three thousand dollars).

Upon termination of employment before five years of credited service, an employee will receive a lump sum equal to their own employee contributions together with 2% simple interest from the January 1st following the date on which contribution were made up to the last day of the calendar year in which the termination of service occurs.

Upon termination of employment after five or more years of credited service, an employee may elect to receive the lump sum equal to the aggregate of their contributions with 2% simple interest or to leave their contributions in the trust fund and on or after age fifty-seven receive their accrued benefit.

If a disabled employee dies while receiving a disability retirement benefit, the surviving spouse will receive a monthly benefit of 50% of the disability retirement benefit for the remainder of their lifetime.

In the event of the death of an active employee with less than ten years of credited service, their beneficiary will receive the lump sum equivalent of the employee’s contributions with 2% simple interest.

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

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

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

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

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

| | 2018 | 2017 |
|---|---|---|
| Retiree and beneficiaries currently receiving benefits | 1,356 | 1,390 |
| Vested and terminated employees not yet receiving benefits | 54 | 59 |
| Current employees | 967 | 937 |
| Total participants | 2,377 | 2,386 |

Membership data above is as of January 1, 2018, the date of the actuary report used to determine the total pension liability for each year, and reasonably approximates membership data through December 31, 2018.

**Summary of Significant Accounting Policies**

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

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

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

**Contributions Required and Contributions Made**

Prior to 2012, employees covered under the plan contributed, in total, an amount equal to 15% of the actuarially determined contribution necessary to fund the plan. The Company contributed the remaining 85% of the actuarial determined contribution necessary to fund the plan. In 2012, employees contributed 25% of the actuarially determined contribution and the Company contributed the remaining 75%. Beginning in 2013, and continuing through present, employees contribute 30% of the actuarially determined contribution and the Company contributes the remaining 70%.

In 2018, the Company contributed $15,184 which includes contributions made by the members. Member contributions are $4,534 for the year ended December 31, 2018. See the Schedule of Employer and Other Contributions presented as Required Supplementary Information (RSI) immediately following the notes to the financial statements.

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

**Net Pension Liability**

The Transit System's net pension liability is measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability is determined by an actuarial valuation as of January 1, 2018.

The total pension liability in the January 1, 2018 actuarial valuation is determined using the following actuarial assumptions, applied to all periods included in the measurement. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.25%, net of assumed pension plan expenses of 0.35% and includes an inflation rate of 3.0%, compounded annually, (b) projected payroll growth increases averaging 3.75% per year compounded annually, attributed to inflation, seniority and merit, and (c) post-retirement benefit increases of 2.0% per year.

Mortality rates for healthy pensioners are based on the RP-2014 employees and healthy annuitants mortality table with blue collar adjustment (adjusted to remove effects of Scale MP-2014 then projected generationally from 2006 using Scale MP-2016). Mortality rates for disabled pensioners are based on the RP-2014 Disabled Retiree Mortality Table (adjusted to remove effects of Scale MP-2014 then projected generationally from 2006 using Scale MP-2016).

The actuarial assumptions used are based on the results of an actuarial experience study from January 1, 2006 through December 31, 2010.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of position plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Domestic Equity | 40.0 % | 5.7 % |
| International Equity | 13.0 % | 6.7 % |
| Emerging Markets Equity | 2.0 % | 9.1 % |
| Global Equity | 5.0 % | 3.6 % |
| Corporate Fixed Income (Market Duration) | 17.5 % | 1.1 % |
| Hedge Funds | 5.0 % | 3.4 % |
| Private Equity | 7.5 % | 10.0 % |
| Real Estate | 10.0 % | 4.4 % |
| Private Equity | 5.0 % | - % |
| Private Real Estate | 10.0 % | - % |
| Estimated by Transit System financial advisors | 115.0 % | |

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

**Discount rate** – The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that the Retirement System's contributions will continue to follow the current funding policy. Based on those assumptions, the Transit Retirement System's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members.

**Changes in the Net Pension Liability**

| | Increases (Decreases) | | |
|---|---|---|---|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Transit System | (a) | (b) | (a) - (b) |
| Balances as of 12/31/2016 | $ 530,307 | $ 451,533 | $ 78,774 |
| **Charges for the year:** | | | |
| Service Cost | 7,550 | - | 7,550 |
| Interest | 37,727 | - | 37,727 |
| Differences between expected and actual experience | (15,246) | - | (15,246) |
| **Contributions:** | | | |
| Employer | - | 10,650 | (10,650) |
| Employee | - | 4,534 | (4,534) |
| Benefit payments, incl refunds of employee contributions | (34,964) | (34,964) | - |
| Administrative expense | - | (1,209) | 1,209 |
| Net investment income | - | 68,313 | (68,313) |
| Net changes | (4,933) | 47,324 | (52,257) |
| Balances as of 12/31/2018 | $ 525,374 | $ 498,857 | $ 26,517 |

**Sensitivity of the Net Pension Liability to changes in the discount rate** – The following presents the net pension liability of the Transit System Retirement Plan, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is a 1-percentage point decrease (6.25%) or a 1-percentage point increase (8.25%) than the current rate:

| | 1% Decrease (6.25 %) | Current Discount (7.25 %) | 1% Increase (8.25 %) |
|---|---|---|---|
| Transit System's net pension liability | $ 85,916 | $ 26,517 | $ (23,263) |

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

For the year ended December 31, 2018, the Transit System recognizes pension expense of $(5,148). At December 31, 2018, the Transit System reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Transit System | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ - | $ 13,181 |
| Changes in Assumption or Other Inputs | - | 3,213 |

## Note 15 - Employee Retirement System and Pension Plans (cont'd)

| Transit System | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Net difference between projected and actual earnings on pension plan investments | - | 21,976 |
| Total | $ - | $ 38,370 |

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

| Year Ended December 31 | Transit System |
|---|---|
| 2019 | $ (12,946) |
| 2020 | (7,884) |
| 2021 | (10,272) |
| 2022 | (7,268) |

**Payable to the Pension Plan**

At December 31, 2018, the Transit System has no outstanding payments to the pension plan. The Transit System has paid its pension contribution for the subsequent year and therefore has a deferred outflow of resources for pension contributions as of December 31, 2018 of $10,866. The current deferred outflow related to pension contributions will be recognized in the net pension liability for the year ended December 31, 2018.

**Summary of Pension Information**

- Pension liability - $551,557
- Pension asset - None
- Deferred outflows of resources - $114,291
- Deferred inflows of resources - $79,377
- Pension expense - $99,753

## Note 16 - Pending Governmental Accounting Standards

The County has not yet implemented the following GASB's into the CAFR presentation:

- **GASB Statement No. 83, *Certain Asset Retirement Obligations***, will be effective for the County for the year beginning January 1, 2019. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

- **GASB Statement No. 84, *Fiduciary Activities***, will be effective for the County for the year beginning January 1, 2019. The objective of this Statement is to improve

## Note 16 - Pending Governmental Accounting Standards (cont'd)

guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

- **GASB Statement No. 87, *Leases***, will be effective for the County for the year beginning January 1, 2020. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflow of resources or outflows of resources based on the payment provisions of the contracts. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

- **GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements,*** will be effective for the County for the year beginning January 1, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

- **GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction Period,*** will be effective for the County for the year beginning January 1, 2020. The objectives of this Statement are (1) to enhance the relevance and compatibility of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

- **GASB Statement No. 90, *AMajority Equity Interests - an Amendment of GASB Statements No. 14 and 61,*** will be effective for the County for the year beginning January 1, 2019. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

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

# REQUIRED SUPPLEMENTARY INFORMATION

1 - Notes to Required Supplementary Information
2 - Retirement Systems (Pension)
3 - Other Post-Employment Benefits (OPEB)

## Notes to Required Supplementary Information

### Retirement Systems (Pension)

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

The pension information is determined based on an actuarial valuation as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

**OBRA** - All seasonal and certain temporary employees who are not enrolled in ERS are participants in the OBRA 1990 Retirement System of the County of Milwaukee (OBRA), which is a single-employer non-contributory defined benefit pension plan.

The pension information is determined based on an actuarial valuation as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

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

The pension information is determined based on an actuarial valuation as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

### Other Post-Employment Benefits (OPEB)

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

The OPEB information is determined based on an actuarial valuation as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

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

The OPEB information is determined based on an actuarial valuation as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

See independent auditors' reports.

### Schedule of Changes in Net Pension Liability and Related Ratios - ERS
### Last Ten Fiscal Years *
### (In Thousands)

| | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| **Total Pension Liability** | | | | |
| Service Cost | $ 15,191 | $ 16,094 | $ 15,740 | $ 15,299 |
| Interest | 173,929 | 173,973 | 171,661 | 172,040 |
| Differences Between Expected and Actual Experience | (2,920) | 16,052 | 41,649 | (17,331) |
| Changes in Assumptions | 63,931 | - | - | - |
| Benefit Payments, including Refunds of Employee Contributions | (198,591) | (212,662) | (188,819) | (177,366) |
| **Net Change in Total Pension Liability** | **51,540** | **(6,543)** | **40,231** | **(7,358)** |
| **Total Pension Liability - Beginning** | **2,256,308** | **2,262,851** | **2,222,620** | **2,229,978** |
| **Total Pension Liability - Ending** | **2,307,848** | **2,256,308** | **2,262,851** | **2,222,620** |
| **Plan Fiduciary Net Pension** | | | | |
| Contributions - Employer | 53,661 | 50,626 | 39,081 | 19,005 |
| Contributions - Employee | 12,330 | 12,144 | 9,325 | 10,052 |
| Net Investment Income | 252,828 | 110,336 | 39,451 | 96,721 |
| Benefit Payments, including Refunds of Employee Contributions | (198,591) | (212,662) | (188,819) | (177,366) |
| Administrative Expense | (5,502) | (4,914) | (5,465) | (5,067) |
| **Net Change in Plan Fiduciary Net Position** | **114,726** | **(44,470)** | **(106,427)** | **(56,655)** |
| **Plan Fiduciary Net Position - Beginning** | **1,671,682** | **1,716,152** | **1,822,579** | **1,879,234** |
| **Plan Fiduciary Net Position - Ending** | **1,786,408** | **1,671,682** | **1,716,152** | **1,822,579** |
| **Net Pension Liability - Ending** | **$ 521,440** | **$ 584,626** | **$ 546,699** | **$ 400,041** |
| Plan Fiduciary Net Position as a percentage of the total pension liability | 77.41 % | 74.09 % | 75.84 % | 82.00 % |
| Covered Employee Payroll | $ 186,214 | $ 194,872 | $ 191,433 | $ 188,605 |
| Net Pension Liability as a percentage of covered employee payroll | 280.02 % | 300.01 % | 285.58 % | 212.10 % |

See independent auditors' report and accompanying notes to required supplementary information.
Measurement date is as of January 1 of current year.

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

### Schedule of Changes in Net Pension Liability and Related Ratios - OBRA
### Last Ten Fiscal Years *
### (In Thousands)

| | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| **Total Pension Liability** | | | | |
| Service Cost | $ 111 | $ 96 | $ 111 | $ 97 |
| Interest | 370 | 320 | 298 | 298 |
| Differences Between Expected and Actual Experience | 676 | 406 | 104 | (233) |
| Changes in Assumptions | 223 | - | - | |
| Benefit Payments, including Refunds of Employee Contributions | (179) | (244) | (206) | (127) |
| **Net Change in Total Pension Liability** | **1,201** | **578** | **307** | **35** |
| **Total Pension Liability - Beginning** | **4,606** | **4,028** | **3,721** | **3,686** |
| **Total Pension Liability - Ending** | **5,807** | **4,606** | **4,028** | **3,721** |
| **Plan Fiduciary Net Pension** | | | | |
| Contributions - Employer | 833 | 819 | 440 | 440 |
| Net Investment Income | 242 | 88 | 37 | 99 |
| Benefit Payments, including Refunds of Employee Contributions | (179) | (244) | (206) | (127) |
| Administrative Expense | (204) | (458) | (521) | (455) |
| **Net Change in Plan Fiduciary Net Position** | **692** | **205** | **(250)** | **(43)** |
| **Plan Fiduciary Net Position - Beginning** | **1,515** | **1,310** | **1,560** | **1,603** |
| **Plan Fiduciary Net Position - Ending** | **2,207** | **1,515** | **1,310** | **1,560** |
| **Net Pension Liability - Ending** | **$ 3,600** | **$ 3,091** | **$ 2,718** | **$ 2,161** |
| Plan Fiduciary Net Position as a percentage of the total pension liability | 38.01 % | 32.89 % | 32.52 % | 41.92 % |
| Covered Employee Payroll | $ 3,926 | $ 3,926 | $ 3,925 | $ 3,478 |
| Net Pension Liability as a percentage of covered employee payroll | 91.70 % | 78.73 % | 69.25 % | 62.13 % |

See independent auditors' report and accompanying notes to required supplementary information.
Measurement date is as of January 1 of current year.

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

### Schedule of Changes in Net Pension Liability and Related Ratios - Transit System
### Last Ten Fiscal Years *
### (In Thousands)

| | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| **Total Pension Liability** | | | | |
| Service Cost | $ 7,550 | $ 7,788 | $ 7,657 | $ 6,885 |
| Interest | 37,727 | 37,817 | 37,764 | 36,673 |
| Differences Between Expected and Actual Experience | (15,246) | (5,224) | (3,489) | 2,899 |
| Changes in Assumptions | - | (6,619) | (7,566) | - |
| Benefit Payments, including Refunds of Employee Contributions | (34,964) | (34,550) | (33,000) | (31,353) |
| **Net Change in Total Pension Liability** | **(4,933)** | **(788)** | **1,366** | **15,104** |
| **Total Pension Liability - Beginning** | **530,307** | **531,095** | **529,729** | **514,625** |
| **Total Pension Liability - Ending** | **525,374** | **530,307** | **531,095** | **529,729** |
| **Plan Fiduciary Net Pension** | | | | |
| Contributions - Employer | 10,650 | 10,833 | 10,863 | 11,087 |
| Contributions - Employee | 4,534 | 4,650 | 4,626 | 4,721 |
| Net Investment Income | 68,313 | 35,414 | 4,146 | 37,409 |
| | | | | - |
| Benefit Payments, including Refunds of Employee Contributions | (34,964) | (34,550) | (33,000) | (31,353) |
| Administrative Expense | (1,209) | (1,205) | (1,657) | (1,544) |
| **Net Change in Plan Fiduciary Net Position** | **47,324** | **15,142** | **(15,022)** | **20,320** |
| **Plan Fiduciary Net Position - Beginning** | **451,533** | **436,391** | **451,413** | **431,093** |
| **Plan Fiduciary Net Position - Ending** | **498,857** | **451,533** | **436,391** | **451,413** |
| **Net Pension Liability - Ending** | **$ 26,517** | **$ 78,774** | **$ 94,704** | **$ 78,316** |
| Plan Fiduciary Net Position as a percentage of the total pension liability | 94.95 % | 85.15 % | 82.17 % | 85.00 % |
| Covered Employee Payroll | $ 58,399 | $ 61,311 | $ 61,311 | $ 60,347 |
| Net Pension Liability as a percentage of covered employee payroll | 45.41 % | 128.48 % | 154.46 % | 129.00 % |

See independent auditors' report and accompanying notes to required supplementary information.
Measurement date is as of January 1 of current year.

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

# COUNTY OF MILWAUKEE, WISCONSIN

## Required Supplementary Information

### Schedule of Employer Contributions - Single Employer Plans
### Last Ten Fiscal Years
### (In Thousands)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **ERS Pension Plan:** | | | | | | | | | | |
| Actuarially Determined Contribution | $ 71,423 | $ 65,799 | $ 63,067 | $ 57,854 | $ 29,565 | $ 32,137 | $ 28,406 | $ 29,621 | $ 29,529 | $ 30,355 |
| Contributions in Relation to the Actuarially Determined Contribution | 73,830 | 65,991 | 62,769 | 48,405 | 29,057 | 30,953 | 27,408 | 31,494 | 31,291 | 457,789 |
| Contribution Deficiency (Excess) | $ (2,407) | $ (192) | $ 298 | $ 9,449 | $ 508 | $ 1,184 | $ 998 | $ (1,873) | $ (1,762) | $(427,434) |
| Covered Employee Payroll | $ 189,451 | $ 186,214 | $ 194,872 | $ 191,433 | $ 188,605 | $ 189,132 | $ 190,748 | $ 221,647 | $ 237,040 | $ 233,820 |
| Contributions as a % of Covered Payroll | 38.97 % | 35.44 % | 32.21 % | 25.29 % | 15.41 % | 16.37 % | 14.37 % | 14.21 % | 13.20 % | 195.79 % |
| **OBRA Pension Plan:** | | | | | | | | | | |
| Actuarially Determined Contribution | $ 577 | $ 804 | $ 827 | $ 770 | $ 374 | $ 389 | $ 446 | $ 807 | $ 716 | $ 661 |
| Contributions in Relation to the Actuarially Determined Contribution | 904 | 833 | 819 | 440 | 440 | 360 | 880 | 2,022 | 786 | 661 |
| Contribution Deficiency (Excess) | $ (327) | $ (29) | $ 8 | $ 330 | $ (66) | $ 29 | $ (434) | $ (1,215) | $ (70) | $ - |
| Covered Employee Payroll | $ 3,282 | $ 3,926 | $ 3,926 | $ 3,925 | $ 3,478 | $ 7,736 | $ 8,939 | $ 8,936 | $ 6,901 | $ 8,498 |
| Contributions as a % of Covered Payroll | 27.54 % | 21.22 % | 20.86 % | 11.21 % | 12.65 % | 4.65 % | 9.84 % | 22.63 % | 11.39 % | 7.78 % |
| **Transit System Pension Plan:** | | | | | | | | | | |
| Actuarially Determined Contribution | $ 10,650 | $ 10,143 | $ 15,483 | $ 15,838 | $ 15,809 | $ 11,018 | $ 10,253 | $ 9,867 | $ 9,939 | $ 9,190 |
| Contributions in Relation to the Actuarially Determined Contribution | 10,866 | 10,610 | 15,483 | 15,838 | 15,809 | 11,018 | 10,253 | 9,867 | 9,939 | 9,190 |
| Contribution Deficiency (Excess) | $ (216) | $ (467) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Covered Employee Payroll | $ 58,399 | $ 61,311 | $ 61,311 | $ 60,347 | $ 57,300 | $ 57,750 | $ 56,200 | $ 57,300 | $ 60,000 | $ 61,000 |
| Contributions as a % of Covered Payroll | 18.61 % | 17.31 % | 25.25 % | 26.24 % | 27.59 % | 19.08 % | 18.24 % | 17.22 % | 16.57 % | 15.07 % |

In 2009, actual contributions for ERS and OBRA include $397.8 million from pension obligation bonds and $29.0 million from a lawsuit settlement.

See independent auditors' report and accompanying notes to required supplementary information.

**Schedule of Changes in Total OPEB Liability and Related Ratios - County-Wide Plan**
Last Ten Fiscal Years
In Thousands

| | 2018 |
|---|---|
| **Total OBEB Liability** | |
| Service cost | $ 7,483 |
| Interest | 42,715 |
| Differences between expected and actual experience | (989) |
| Benefit payments | (61,790) |
| Net change in total OPEB liability | (12,581) |
| Total OPEB liability - beginning | 1,358,251 |
| Total OPEB liability - ending | $ 1,345,670 |
| Covered employee payroll | $ 27,734 |
| Total OPEB liability as a percentage of covered employee payroll | 4,852.06 % |

Note to Schedule:
The County implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available. Additional years will be added prospectively until 10 years are presented.

See independent auditor's report and accompanying notes to required supplementary information.

**Schedule of Changes in Net OPEB Liability and Related Ratios - Transit System Plan**
Last Ten Fiscal Years
In Thousands

| | 2018 |
|---|---|
| **Total OPEB Liability** | |
| Service cost | $ 4,784 |
| Interest | 13,320 |
| Differences between expected and actual experience | (192) |
| Benefit payments | (10,981) |
| Net change in total OPEB liability | 6,931 |
| Total OPEB liability - beginning | 381,272 |
| Total OPEB liability - ending (a) | 388,203 |
| Plan Fiduciary Net Position | |
| Employer contributions | 16,948 |
| Net investment income | 13,120 |
| Benefit payments | (10,981) |
| Administrative expense | (157) |
| Net Change in Plan Fiduciary Net Position | 18,930 |
| Plan Fiduciary Net Position - Beginning | 83,963 |
| Fiduciary Net Position - Ending (b) | 102,893 |
| Net OPEB Liability - Ending (a) - (b) | $ 285,310 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 26.50 % |
| Covered employee payroll | $ 29,180 |
| Net OPEB liability as a percentage of covered-employee payroll | 977.76 % |

Note to Schedule:
The County implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available. Additional years will be added prospectively until 10 years are presented.

See independent auditor's report and accompanying notes to required supplementary information.

**Schedule of Employer Contributions - Transit System Plan**
Last Ten Fiscal Years
In Thousands

| | 2018 |
|---|---|
| Actuarially contractual determined contribution | $ 12,307 |
| Contributions in relation to the actuarially determined contribution | 16,948 |
| Contribution deficiency (excess) | $ (4,641) |
| | |
| Covered-employee payroll | $ 29,180 |
| Contributions as a percentage of covered-employee payroll | 58.08 % |

| | Methods and assumptions used to determine contribution rates: |
|---|---|
| **Actuarial cost method** | Entry Age |
| **Amortization method** | Fair market value |
| **Healthcare cost trend rates** | 7.0% in 2018, 7.5% in 2019 decreasing 0.5% for 2024 and later |
| **Inflation** | 3.0% |
| **Salary increases** | 3.0% |
| **Mortality** | RP-2014 Mortality for Blue Collar Workers Fully Generational using Projection Scale MP-2016 |

Notes to Schedule:
Valuation date:
Actuarially determined contribution rates are calculated as of January 1, 2018.

The County implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available. Additional years will be added prospectively until 10 years are presented.

See independent auditor's report and accompanying notes to required supplementary information.

# SUPPLEMENTARY INFORMATION - COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

1 - Budgetary Comparison Schedules

2 - Nonmajor Governmental Funds

3 - Internal Service Funds

4 - Fiduciary Funds

## Budgetary Comparison Schedules

Budgetary comparison schedules present the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on a Non-GAAP Budgetary Basis. Information is provided for the original adopted budget, the final budget including appropriation transfers, actual revenue and expenditures, and variance with final budget.

# COUNTY OF MILWAUKEE, WISCONSIN

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2018
(In Thousands)

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | $ 235,958 | $ 246,941 | $ 242,575 | $ (4,366) |
| Property Taxes | 295,878 | 295,878 | 294,488 | (1,390) |
| Sales Tax | 70,882 | 70,882 | 74,382 | 3,500 |
| Vehicle Registration Fee | 1,025 | 1,025 | 1,025 | - |
| Charges for Services | 182,436 | 180,970 | 162,166 | (18,804) |
| Fines and Forfeits | 2,461 | 2,461 | 2,653 | 192 |
| Licenses and Permits | 879 | 929 | 1,087 | 158 |
| Investment Income | 3,104 | 2,923 | 5,449 | 2,526 |
| Other | 20,219 | 26,365 | 20,486 | (5,879) |
| Total Revenues | 812,842 | 828,374 | 804,311 | (24,063) |
| Expenditures: | | | | |
| Current: | | | | |
| County Board | 1,931 | 2,054 | 2,293 | (239) |
| Veterans Service | 343 | 356 | 330 | 26 |
| County Executive Government Affairs | 286 | 286 | 195 | 91 |
| Office on African American Affairs | 685 | 898 | 891 | 7 |
| Community Development Business Partners | 917 | 1,102 | 1,072 | 30 |
| Procurement | 985 | 993 | 954 | 39 |
| Office for Persons with Disabilities | 851 | 872 | 753 | 119 |
| County Executive | 950 | 950 | 1,120 | (170) |
| Civil Service Commission | 30 | 52 | 51 | 1 |
| Personnel Review Board | 379 | 433 | 436 | (3) |
| Corporation Counsel | 2,118 | 2,195 | 1,934 | 261 |
| Department of Human Resources | 6,556 | 6,875 | 6,775 | 100 |
| Department of Administrative Services | 8,652 | 1,434 | 1,876 | (442) |
| Economic & Community Development | 3,492 | 4,148 | 3,321 | 827 |
| Other Executive and Staff | 2,495 | 4,452 | 3,423 | 1,029 |
| Legislative, Executive and Staff | 30,670 | 27,100 | 25,424 | 1,676 |
| County-funded State Court Services | 35,324 | 37,618 | 36,167 | 1,451 |
| Child Support Enforcement | 17,447 | 17,612 | 15,899 | 1,713 |
| Alternatives to Incarceration | 4,970 | 5,505 | 5,480 | 25 |
| Courts and Judiciary | 57,741 | 60,735 | 57,546 | 3,189 |
| Election Commission | 687 | 697 | 870 | (173) |
| County Treasurer | 960 | 963 | 898 | 65 |
| County Clerk | 1,404 | 1,407 | 1,404 | 3 |
| Register of Deeds | 2,741 | 2,745 | 2,529 | 216 |
| Office of the Comptroller | 5,996 | 6,084 | 5,932 | 152 |
| Other General Government | 300 | 483 | 482 | 1 |
| General Governmental Services | 12,088 | 12,379 | 12,115 | 264 |
| Sheriff | 67,051 | 70,537 | 71,410 | (873) |
| House of Correction | 58,193 | 59,091 | 58,865 | 226 |
| District Attorney | 16,305 | 16,581 | 16,185 | 396 |
| Medical Examiner | 5,109 | 5,695 | 5,615 | 80 |
| Emergency Management | 9,169 | 10,269 | 9,742 | 527 |
| Other Public Safety | 512 | 512 | 509 | 3 |
| Public Safety | 156,339 | 162,685 | 162,326 | 359 |

# COUNTY OF MILWAUKEE, WISCONSIN

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2018
(In Thousands)

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| Highway Maintenance | $ 15,091 | $ 15,431 | $ 14,244 | $ 1,187 |
| Fleet / Facilities Services | 37,857 | 41,986 | 39,953 | 2,033 |
| Administration | (16) | 2,362 | 2,301 | 61 |
| Public Works and Highways | 52,932 | 59,779 | 56,498 | 3,281 |
| Department on Aging | 17,123 | 18,352 | 17,672 | 680 |
| DHHS - Behavioral Health Division | 213,951 | 214,869 | 202,290 | 12,579 |
| Department of Human Services | 111,026 | 121,639 | 113,675 | 7,964 |
| Human Services | 342,100 | 354,860 | 333,637 | 21,223 |
| Department of Parks | 40,558 | 43,321 | 43,464 | (143) |
| Zoological Department | 19,470 | 20,088 | 18,828 | 1,260 |
| UW Extension Service | 546 | 511 | 437 | 74 |
| Other Cultural Organizations | 448 | 499 | 565 | (66) |
| Parks, Recreation and Culture | 61,022 | 64,419 | 63,294 | 1,125 |
| Total Expenditures | 712,892 | 741,957 | 710,840 | 31,117 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 99,950 | 86,417 | 93,471 | 7,054 |
| Other Financing Sources (Uses): | | | | |
| Proceeds from Sale of Capital Assets | 400 | 400 | 291 | (109) |
| Transfers In | - | - | 6,697 | 6,697 |
| Transfers Out | (98,627) | (100,619) | (117,009) | (16,390) |
| Transfers To Component Units | (6,636) | (6,636) | (6,569) | 67 |
| Total Other Financing Sources (Uses) | (104,863) | (106,855) | (116,590) | (9,735) |
| Net Change in Fund Balance | (4,913) | (20,438) | (23,119) | (2,681) |
| Fund Balances - Beginning | 66,627 | 66,627 | 66,627 | - |
| Fund Balances - Ending | $ 61,714 | $ 46,189 | $ 43,508 | $ (2,681) |

# COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2018
(In Thousands)

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | $ 1,628 | $ 1,628 | $ 1,863 | $ 235 |
| Investment Income | - | 25 | 31 | 6 |
| Other | 18,178 | 18,411 | 10,940 | (7,471) |
| Total Revenues | 19,806 | 20,064 | 12,834 | (7,230) |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal Retired | 57,993 | 57,993 | 58,003 | (10) |
| Interest and Other Charges | 17,749 | 18,270 | 18,346 | (76) |
| Principal Retired on Current Refunding | - | 54,148 | 51,620 | 2,528 |
| Total Expenditures | 75,742 | 130,411 | 127,969 | 2,442 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (55,936) | (110,347) | (115,135) | (4,788) |
| Other Financing Sources (Uses): | | | | |
| General Obligation Bonds Issued | - | 442 | 546 | 104 |
| Refunding Bonds Issued | - | 49,671 | 47,942 | (1,729) |
| Premium on Debt Issued | - | 5,028 | 4,165 | (863) |
| Proceeds from Sale of Capital Assets | (8,500) | (8,617) | 84 | 8,701 |
| Transfers In | 57,881 | 51,275 | 69,441 | 18,166 |
| Total Other Financing Sources (Uses) | 49,381 | 97,799 | 122,178 | 24,379 |
| Net Change in Fund Balance | (6,555) | (12,548) | 7,043 | 19,591 |
| Fund Balances - Beginning | 40,739 | 40,739 | 40,739 | - |
| Fund Balances - Ending | $ 34,184 | $ 28,191 | $ 47,782 | $ 19,591 |

# COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Project Fund
For the Year Ended December 31, 2018
(In Thousands)

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | $ 5,875 | $ 10,503 | $ 9,608 | $ (895) |
| Sales Tax | 4,845 | 4,845 | 4,845 | - |
| Vehicle Registration Fee | 315 | 315 | 315 | - |
| Investment Income | - | 169 | 170 | 1 |
| Other | - | 1,742 | 1,739 | (3) |
| Total Revenues | 11,035 | 17,574 | 16,677 | (897) |
| Expenditures: | | | | |
| Capital Outlay | 39,573 | 57,699 | 55,781 | 1,918 |
| Total Expenditures | 39,573 | 57,699 | 55,781 | 1,918 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (28,538) | (40,125) | (39,104) | 1,021 |
| Other Financing Sources (Uses): | | | | |
| General Obligation Bonds Issued | 28,289 | 25,093 | 25,093 | - |
| Transfers In | - | - | 5,548 | 5,548 |
| Transfers Out | - | - | (289) | (289) |
| Total Other Financing Sources (Uses) | 28,289 | 25,093 | 30,352 | 5,259 |
| Net Change in Fund Balance | (249) | (15,032) | (8,752) | 6,280 |
| Fund Balances - Beginning | 43,253 | 43,253 | 43,253 | - |
| Fund Balances - Ending | $ 43,004 | $ 28,221 | $ 34,501 | $ 6,280 |

# COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
(Non-GAAP Budgetary Basis)
Airports Enterprise Fund
For the Year Ended December 31, 2018
(In Thousands)

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| Operating Revenues: | | | | |
| Charges for Services | $ 74,846 | $ 78,876 | $ 65,603 | $ (13,273) |
| Admissions and Concessions | 18,204 | 18,204 | 18,405 | 201 |
| Total Charges for Services | 93,050 | 97,080 | 84,008 | (13,072) |
| Other Revenues | 6 | 6 | 128 | 122 |
| Total Operating Revenues | 93,056 | 97,086 | 84,136 | (12,950) |
| Operating Expenses: | | | | |
| Personnel Services | 26,487 | 26,487 | 24,437 | 2,050 |
| Contractual Services | 20,882 | 24,665 | 22,770 | 1,895 |
| Intra-County Services | 11,161 | 11,161 | 10,636 | 525 |
| Commodities | 4,732 | 4,863 | 5,226 | (363) |
| Depreciation and Amortization | 27,656 | 27,656 | 24,519 | 3,137 |
| Maintenance | 917 | 1,033 | 2,311 | (1,278) |
| Other | 7 | 7 | 101 | (94) |
| Total Operating Expenses | 91,842 | 95,872 | 90,000 | 5,872 |
| Operating Income (Loss) | 1,214 | 1,214 | (5,864) | (7,078) |
| Nonoperating Revenues (Expenses): | | | | |
| Intergovernmental Revenues | 210 | 210 | 346 | 136 |
| Investment Income | 300 | 300 | 1,108 | 808 |
| Interest Expense | (8,944) | (8,944) | (6,867) | 2,077 |
| Gain/(Loss) on Sale of Capital Assets | 10 | 10 | 84 | 74 |
| Total Nonoperating Revenues (Expenses) | (8,424) | (8,424) | (5,329) | 3,095 |
| Income (Loss) Before Transfers | (7,210) | (7,210) | (11,193) | (3,983) |
| Add Depreciation on Capital Assets Acquired by Capital Grants that Reduces Contributed Capital From Capital Grants | 7,288 | 7,977 | 6,311 | (1,666) |
| Transfers In | - | (689) | 1,438 | 2,127 |
| Transfers Out | (77) | (77) | (169) | (92) |
| Change in Net Position | $ 1 | $ 1 | $ (3,613) | $ (3,614) |

# COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
(Non-GAAP Budgetary Basis)
Transit Enterprise Fund
For the Year Ended December 31, 2018
(In Thousands)

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| Operating Revenues: | | | | |
| Charges for Services | $ 9 | $ 9 | $ - | $ (9) |
| Transit Fares | 38,206 | 38,206 | 36,418 | (1,788) |
| Total Charges for Services | 38,215 | 38,215 | 36,418 | (1,797) |
| Other Revenues | 3,746 | 3,746 | 4,467 | 721 |
| Total Operating Revenues | 41,961 | 41,961 | 40,885 | (1,076) |
| Operating Expenses: | | | | |
| Personnel Services | 111,383 | 111,383 | 95,759 | 15,624 |
| Contractual Services | 23,835 | 23,835 | 22,688 | 1,147 |
| Intra-County Services | 1,449 | 1,449 | 1,107 | 342 |
| Commodities | 15,370 | 15,370 | 14,499 | 871 |
| Depreciation and Amortization | 16,645 | 16,645 | 16,178 | 467 |
| Maintenance | 156 | 358 | 1,211 | (853) |
| Other | 1,827 | 1,827 | 2,899 | (1,072) |
| Total Operating Expenses | 170,665 | 170,867 | 154,341 | 16,526 |
| Operating Income (Loss) | (128,704) | (128,906) | (113,456) | 15,450 |
| Nonoperating Revenues (Expenses): | | | | |
| Intergovernmental Revenues | 92,065 | 92,219 | 92,122 | (97) |
| Vehicle Registration Fee | 14,660 | 14,660 | 15,822 | 1,162 |
| Gain/(Loss) on Sale of Capital Assets | - | - | (21) | (21) |
| Interest Expense | (1,265) | (1,265) | (1,054) | 211 |
| Total Nonoperating Revenues (Expenses) | 105,460 | 105,614 | 106,869 | 1,255 |
| Income (Loss) Before Transfers | (23,244) | (23,292) | (6,587) | 16,705 |
| Add Depreciation on Capital Assets Acquired by Capital Grants that Reduces Contributed Capital From Capital Grants | 13,316 | 7,783 | (312) | (8,095) |
| Transfers In | 9,930 | 15,511 | 12,168 | (3,343) |
| Change in Net Position | $ 2 | $ 2 | $ 5,269 | $ 5,267 |

### Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures of their designated operations. The specific purpose of each Special Revenue Fund is as follows:

**Zoo -** The Zoo Specimen Fund is used for the purchase of animals, the Zoo Railroad Fund is used for the repair and maintenance of the miniature passenger railroad as well as the Zoomobile, Zoo Library, and employee travel, and the Zoo Conservation Fund is used for various conservation projects.

**Parks -** Repair, restoration and enhancement of the various parks throughout Milwaukee County

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

**Behavioral Health Division -** Mental health research, patient activities and special events, funding for youth and young adults with severe mental health needs and compensated absence payouts for retirees from the Behavioral Health Division.

**Airports -** Airport Passenger Facility Charge is used for the collection of Federal Aviation Administration approved passenger facility charges, which are to be used for capital projects at the Airports. In addition, a separate trust is maintained to secure a pledge by the County for repayment of certain debt of local airlines.

**Administrative Services -** Administered by Risk management for employee health and safety issues. Also includes a pension stabilization reserve per state statute.

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

# COUNTY OF MILWAUKEE, WISCONSIN

Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2018
(In Thousands)

| | Special Revenue Funds | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Zoo | Parks | Persons with Disabilities | Behavioral Health Division | Airports | Administrative Services | Public Works | Total Nonmajor Governmental Funds |
| **ASSETS** | | | | | | | | |
| Cash and Investments | $ 2,268 | $ 1,708 | $ 108 | $ 11,043 | $ - | $ 5,313 | $ 9,582 | $ 30,022 |
| Cash and Investments - Restricted | - | - | - | - | 44,839 | - | - | 44,839 |
| Receivables - Other | 2 | - | - | - | - | - | - | 2 |
| Prepaid Items | 2 | - | - | - | - | - | - | 2 |
| Total Assets | $ 2,272 | $ 1,708 | $ 108 | $ 11,043 | $ 44,839 | $ 5,313 | $ 9,582 | $ 74,865 |
| **LIABILITIES AND FUND BALANCES** | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts Payable | $ 297 | $ 8 | $ - | $ - | $ - | $ - | $ - | $ 305 |
| Fund Balances: | | | | | | | | |
| Restricted | 1,975 | 1,700 | 108 | 11,043 | 44,839 | 5,313 | 9,582 | 74,560 |
| Total Liabilities and Fund Balances | $ 2,272 | $ 1,708 | $ 108 | $ 11,043 | $ 44,839 | $ 5,313 | $ 9,582 | $ 74,865 |

# COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018
(In Thousands)

| | Special Revenue Funds | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Zoo | Parks | Persons with Disabilities | Behavioral Health Division | Airports | Administrative Services | Public Works | Total Nonmajor Governmental Funds |
| Revenues: | | | | | | | | |
| Charges for Services | $ 726 | $ 95 | $ - | $ 803 | $ 14,718 | $ - | $ - | $ 16,342 |
| Investment Income and Rents | 45 | 2 | 1 | - | 699 | - | - | 747 |
| Other | 139 | 116 | 3 | - | - | - | - | 258 |
| Total Revenues | 910 | 213 | 4 | 803 | 15,417 | - | - | 17,347 |
| Expenditures: | | | | | | | | |
| Public Works and Highways | - | - | - | - | 8,665 | - | 48 | 8,713 |
| Human Services | - | - | - | 86 | - | - | - | 86 |
| Parks, Recreation and Culture | 767 | 284 | - | - | - | - | - | 1,051 |
| Total Expenditures | 767 | 284 | - | 86 | 8,665 | - | 48 | 9,850 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 143 | (71) | 4 | 717 | 6,752 | - | (48) | 7,497 |
| Other Financing Sources (Uses): | | | | | | | | |
| Transfers In | - | 482 | - | - | - | 127 | - | 609 |
| Transfers Out | (21) | - | - | - | (150) | - | - | (171) |
| Total Other Financing Sources (Uses) | (21) | 482 | - | - | (150) | 127 | - | 438 |
| Net Changes in Fund Balance | 122 | 411 | 4 | 717 | 6,602 | 127 | (48) | 7,935 |
| Fund Balances -- Beginning | 1,853 | 1,289 | 104 | 10,326 | 38,237 | 5,186 | 9,630 | 66,625 |
| Fund Balances -- Ending | $ 1,975 | $ 1,700 | $ 108 | $ 11,043 | $ 44,839 | $ 5,313 | $ 9,582 | $ 74,560 |

### Internal Service Funds

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

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

**Public Work Services -** This fund is used to account for various services provided to other County departments including the Water Utility which maintains the water distribution system that is located on the Milwaukee County Grounds.

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

# COUNTY OF MILWAUKEE, WISCONSIN

Combining Balance Sheet
Internal Service Funds
As of December 31, 2018
(In Thousands)

| | Information Management Services | Public Works Services | Risk Management | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Current Assets: | | | | |
| Cash and Investments | $ 9,849 | $ 1,517 | $ 25,236 | $ 36,602 |
| Accounts (Net of Allowance for Doubtful Accounts) | 3 | 1,511 | 52 | 1,566 |
| Due From Other Governments | 14 | 1 | - | 15 |
| Total Current Assets | 9,866 | 3,029 | 25,288 | 38,183 |
| Capital Assets: | | | | |
| Construction in Progress | 7,086 | 340 | - | 7,426 |
| Land Improvements | - | 4,408 | - | 4,408 |
| Building and Improvements | 1,523 | 5,858 | - | 7,381 |
| Machinery, Vehicles and Equipment | 26,636 | 1,774 | 3 | 28,413 |
| Total Capital Assets | 35,245 | 12,380 | 3 | 47,628 |
| Less: Accumulated Depreciation | (22,801) | (7,069) | (1) | (29,871) |
| Net Capital Assets | 12,444 | 5,311 | 2 | 17,757 |
| Total Assets | 22,310 | 8,340 | 25,290 | 55,940 |
| **Deferred Outflows of Resources** | | | | |
| Deferred Loss on Refunding of Debt | 23 | - | - | 23 |
| Deferred Outflow for Pension Contributions Subsequent to the Measurement Date | 846 | - | 72 | 918 |
| Deferred Outflow Pension Difference Between Expected and Actual Experience | 41 | - | 6 | 47 |
| Deferred Outflow Pension Assumption Changes | 579 | - | 54 | 633 |
| Deferred Outflow of Resources for OPEB Contributions Made After Measurement Date | 899 | - | 73 | 972 |
| Total Deferred Outflows of Resources | 2,388 | - | 205 | 2,593 |
| Total Assets and Deferred Outflows of Resources | $ 24,698 | $ 8,340 | $ 25,495 | $ 58,533 |

# COUNTY OF MILWAUKEE, WISCONSIN

Combining Balance Sheet
Internal Service Funds
As of December 31, 2018
(In Thousands)

| | Information Management Services | Public Works Services | Risk Management | Total |
|---|---|---|---|---|
| **Liabilities** | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | $ 1,463 | $ 1,549 | $ 938 | $ 3,950 |
| Accrued Liabilities | 232 | - | 28 | 260 |
| Accrued Interest Payable | 42 | 15 | - | 57 |
| Bonds and Notes Payable - General Obligation | 1,047 | 1,906 | - | 2,953 |
| Compensated Absences | 487 | - | 36 | 523 |
| Risk Claims | - | - | 9,120 | 9,120 |
| Total Current Liabilities | 3,271 | 3,470 | 10,122 | 16,863 |
| Long-Term Liabilities: | | | | |
| Bonds and Notes Payable - General Obligation | 4,153 | 732 | - | 4,885 |
| Compensated Absences | 274 | - | 4 | 278 |
| Risk Claims | - | - | 14,200 | 14,200 |
| Net Pension Liability | 7,087 | - | 572 | 7,659 |
| Other Postemployment Benefits | 18,064 | - | 1,460 | 19,524 |
| Total Long-Term Liabilities | 29,578 | 732 | 16,236 | 46,546 |
| Total Liabilities | 32,849 | 4,202 | 26,358 | 63,409 |
| **Deferred Inflows of Resources** | | | | |
| Deferred Inflow Pension Difference Between Actual and Expected Experience | 25 | - | 2 | 27 |
| Deferred Inflow Net Difference Between Expected and Actual Earnings on Pension Plan Investments | 585 | - | 91 | 676 |
| Deferred Inflow OPEB Difference Between Actual and Expected Experience | 13 | - | 1 | 14 |
| Total Deferred Inflows of Resources | 623 | - | 94 | 717 |
| **Net Position (Deficit)** | | | | |
| Net Investment in Capital Assets | 7,267 | 2,672 | 1 | 9,940 |
| Restricted for: | | | | |
| Commitments | 1,382 | 342 | 16 | 1,740 |
| Unrestricted (Deficit) | (17,423) | 1,124 | (974) | (17,273) |
| Total Net Position (Deficit) | (8,774) | 4,138 | (957) | (5,593) |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | $ 24,698 | $ 8,340 | $ 25,495 | $ 58,533 |

# COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2018
(In Thousands)

| | Information Management Services | Public Works Services | Risk Management | Total |
|---|---|---|---|---|
| Operating Revenues: | | | | |
| Charges for Services | $ 2,700 | $ 3,030 | $ 2,592 | $ 8,322 |
| Other | 6 | - | 89 | 95 |
| Total Operating Revenues | 2,706 | 3,030 | 2,681 | 8,417 |
| Operating Expenses: | | | | |
| Personnel Services | 4,501 | - | 494 | 4,995 |
| Contractual Services | 7,839 | 1,171 | 374 | 9,384 |
| Intra-County Services | (74) | 442 | 1 | 369 |
| Commodities | 139 | 11 | 5 | 155 |
| Depreciation and Amortization | 1,403 | 507 | - | 1,910 |
| Maintenance | - | 142 | - | 142 |
| Insurance and Claims | - | - | 10,332 | 10,332 |
| Other | - | 1,391 | - | 1,391 |
| Total Operating Expenses | 13,808 | 3,664 | 11,206 | 28,678 |
| Operating Income (Loss) | (11,102) | (634) | (8,525) | (20,261) |
| Nonoperating Revenues (Expenses): | | | | |
| Intergovernmental Revenues | 308 | - | - | 308 |
| Other Income | 4,944 | - | - | 4,944 |
| Interest Expense | (194) | (103) | - | (297) |
| Total Nonoperating Revenues (Expenses) | 5,058 | (103) | - | 4,955 |
| Income (Loss) Before Contributions and Transfers | (6,044) | (737) | (8,525) | (15,306) |
| Capital Contributions | - | 59 | - | 59 |
| Transfers In | 14,853 | 1,789 | 11,162 | 27,804 |
| Transfers Out | (3,049) | (426) | (2,593) | (6,068) |
| Change in Net Position | 5,760 | 685 | 44 | 6,489 |
| Net Position (Deficit) -- Beginning (as Restated) | (14,534) | 3,453 | (1,001) | (12,082) |
| Net Position (Deficit) -- Ending | $ (8,774) | $ 4,138 | $ (957) | $ (5,593) |

# COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2018
(In Thousands)

| | Information Management Services | Public Works Services | Risk Management | Total |
|---|---|---|---|---|
| Cash Flows Provided (Used) by Operating Activities: | | | | |
| Receipts from Customers and Users | $ 6,022 | $ 2,753 | $ 1,309 | $ 10,084 |
| Receipts from Interfund Services | 1,613 | - | 2,592 | 4,205 |
| Payments to Suppliers | (7,722) | (1,280) | (10,109) | (19,111) |
| Payments to Employees including Benefits | (4,501) | - | (494) | (4,995) |
| Payments for Interfund Services Used | - | (442) | - | (442) |
| Net Cash Flows Provided (Used) by Operating Activities | (4,588) | 1,031 | (6,702) | (10,259) |
| Cash Flows Provided (Used) by Noncapital Financing Activities: | | | | |
| Intergovernmental Revenues | 308 | - | - | 308 |
| Transfers From Other Funds | 13,417 | 1,363 | 11,162 | 25,942 |
| Transfers (To) Other Funds | (1,613) | - | (2,593) | (4,206) |
| Net Cash Flows Provided (Used) by Noncapital Financing Activities: | 12,112 | 1,363 | 8,569 | 22,044 |
| Cash Flows Provided (Used) by Capital and Related Financing Activities: | | | | |
| Capital Contributions | - | 59 | - | 59 |
| Premium on Debt Issued | 212 | 17 | - | 229 |
| Proceeds on Bonds | 2,153 | 1,908 | - | 4,061 |
| Principal Payment on Bonds | (4,056) | (2,823) | - | (6,879) |
| Debt Transfers | 81 | 5 | - | 86 |
| Interest Paid on Bonds | (256) | (159) | - | (415) |
| Acquisition of Capital Assets | (4,951) | (476) | - | (5,427) |
| Net Cash Flows Provided (Used) by Capital and Related Financing Activities | (6,817) | (1,469) | - | (8,286) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 707 | 925 | 1,867 | 3,499 |
| Cash and Cash Equivalents at Beginning of Year | 9,142 | 592 | 23,369 | 33,103 |
| Cash and Cash Equivalents at End of Year | $ 9,849 | $ 1,517 | $ 25,236 | $ 36,602 |

# COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2018
(In Thousands)

| | Information Management Services | Public Works Services | Risk Management | Total |
|---|---|---|---|---|
| **Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities** | | | | |
| Operating Income (Loss) | $ (11,102) | $ (634) | $ (8,525) | $ (20,261) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities: | | | | |
| Depreciation and Amortization | 1,403 | 507 | - | 1,910 |
| Nonoperating Revenues | 4,944 | - | - | 4,944 |
| (Increase) Decrease in Assets and Deferred Outflows of Resources: | | | | |
| Accounts Receivable | (1) | (277) | (44) | (322) |
| Due From Other Governments | (14) | - | 1,264 | 1,250 |
| Deferred Outflow for Pension Contributions Subsequent to the Measurement Date | 59 | - | 30 | 89 |
| Deferred Outflow Difference Between Expected and Actual Experience | 238 | - | 20 | 258 |
| Deferred Outflow of Resources for OPEB Contributions Made After Measurement Date | (71) | - | (5) | (76) |
| Deferred Outflow Net Difference Between Expected and Actual Earnings on Pension Plan Investments | 711 | - | 10 | 721 |
| Increase (Decrease) in Liabilities and Deferred Inflows of Resources: | | | | |
| Accounts Payable | (272) | 1,435 | 632 | 1,795 |
| Accrued Liabilities | (69) | - | - | (69) |
| Risk Claims | - | - | (74) | (74) |
| Other Post Employment Benefits | (169) | - | (15) | (184) |
| Compensated Absences | 128 | - | 10 | 138 |
| Net Pension Liability | (996) | - | (99) | (1,095) |
| Deferred Inflow Pension Difference Between Actual and Expected Experience | 25 | - | 2 | 27 |
| Deferred Inflow Net Difference Between Expected and Actual Earnings of Pension Plan Investments | 585 | - | 91 | 676 |
| Deferred Inflow OPEB Difference Between Actual and Expected Experience | 13 | - | 1 | 14 |
| Total Adjustments | 6,514 | 1,665 | 1,823 | 10,002 |
| Net Cash Flows Provided (Used) by Operating Activities | $ (4,588) | $ 1,031 | $ (6,702) | $ (10,259) |

## Agency Funds

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

# COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2018
(In Thousands)

| | January 1, 2018 | Additions | Deductions | December 31, 2018 |
|---|---|---|---|---|
| **AGENCY FUND:** | | | | |
| **CIVIL COURT ORDERED FOR FAMILY SUPPORT/PAYMENTS** | | | | |
| Cash and Investments | $ 8,227 | $ 55,492 | $ 52,973 | $ 10,746 |
| Other Receivables | - | 21,347 | 21,347 | - |
| **Total Assets** | $ 8,227 | $ 76,839 | $ 74,320 | $ 10,746 |
| Accounts Payable | $ 234 | $ 23 | $ 106 | $ 317 |
| Agency Deposits | 7,993 | 61,609 | 64,045 | 10,429 |
| **Total Liabilities** | $ 8,227 | $ 61,632 | $ 64,151 | $ 10,746 |
| **OTHER AGENCY FUNDS** | | | | |
| Cash and Investments | $ 9,141 | $ 139,065 | $ 141,149 | $ 7,057 |
| Other Receivables | 38 | 1,113 | 38 | 1,113 |
| **Total Assets** | $ 9,179 | $ 140,178 | $ 141,187 | $ 8,170 |
| Accounts Payable | $ 1,278 | $ 6,661 | $ 5,808 | $ 425 |
| Agency Deposits | 7,901 | 41,770 | 41,614 | 7,745 |
| **Total Liabilities** | $ 9,179 | $ 48,431 | $ 47,422 | $ 8,170 |
| **SUMMARY** | | | | |
| Cash and Investments | $ 17,368 | $ 194,557 | $ 194,122 | $ 17,803 |
| Other Receivables | 38 | 22,460 | 21,385 | 1,113 |
| **Total Assets** | $ 17,406 | $ 217,017 | $ 215,507 | $ 18,916 |
| Accounts Payable | $ 1,512 | $ 6,684 | $ 5,914 | $ 742 |
| Agency Deposits | 15,894 | 103,379 | 105,659 | 18,174 |
| **Total Liabilities** | $ 17,406 | $ 110,063 | $ 111,573 | $ 18,916 |

## Other Supplementary Information

The financial statement schedules provided in this section are required for outside parties. These are standalone schedules for the agency whose information is presented within the governmental activities financial statements. These schedules are presented on the full accrual basis, as requested.

Milwaukee County Behavioral Health Division Fund:
- Balance Sheet
- Schedule of Revenues, Expenses and Changes in Net Position

# COUNTY OF MILWAUKEE, WISCONSIN

Balance Sheet
Behavioral Health Division Fund
As of December 31, 2018
(In Thousands)

| | |
|---|---|
| **Assets** | |
| Current Assets: | |
| Cash | $ 39,483 |
| Patient Receivables | 23,905 |
| Allowance for Uncollectible Accounts | (14,402) |
| Accounts Receivable - Other | 27 |
| Due from Other Governments | 6,426 |
| Prepaid Items | 80 |
| Total Current Assets | 55,519 |
| Noncurrent Assets: | |
| Capital Assets: | |
| Land Improvements | 1,625 |
| Buildings and Improvements | 36,458 |
| Machinery, Vehicles and Equipment | 3,140 |
| Total Capital Assets | 41,223 |
| Less: Accumulated Depreciation | (35,921) |
| Total Capital Assets (Net) | 5,302 |
| Total Assets | 60,821 |
| **Deferred Outflows of Resources** | |
| Deferred Loss on Refunding of Debt | 9 |
| Total Assets and Deferred Outflows of Resources | $ 60,830 |
| **Liabilities** | |
| Current Liabilities: | |
| Accounts Payable | $ 11,775 |
| Accrued Payroll | 1,908 |
| Due to Other Governments | 338 |
| Bonds and Notes Payable - General Obligation | 1,541 |
| Compensated Absences Payable | 2,822 |
| Other Current Liabilities | 1,367 |
| Total Current Liabilities | 19,751 |
| Long-Term Liabilities: | |
| Bonds and Notes Payable - General Obligation | 781 |
| Compensated Absences Payable | 1,270 |
| Total Long-Term Liabilities | 2,051 |
| Total Liabilities | 21,802 |
| **Net Position** | |
| Net Investments in Capital Assets | 2,988 |
| Restricted for: | |
| Commitments | 2,952 |
| Operational Reserve | 21,285 |
| Capital Reserve | 5,155 |
| Title XIX Capitation | 9,092 |
| Compensated Absences | 1,649 |
| Unrestricted (Deficit) | (4,093) |
| Total Net Position | 39,028 |
| Total Liabilities and Net Position | $ 60,830 |

# COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Revenues, Expenses and Changes in Net Position
Behavioral Health Division Fund
For the Year Ended December 31, 2018
(In Thousands)

| | |
|---|---|
| Operating Revenues: | |
| Charges for Services | $ 100,165 |
| Other Revenues | 1,736 |
| Total Operating Revenues | 101,901 |
| | |
| Operating Expenses: | |
| Personnel Services | 64,773 |
| Client Service Costs | 46,116 |
| Contractual Services | 10,620 |
| Intra-County Services | 1,915 |
| Commodities | 3,446 |
| Depreciation and Amortization | 1,342 |
| Maintenance | 105 |
| Provider Network Services | 73,020 |
| Total Operating Expenses | 201,337 |
| | |
| Operating Income (Loss) | (99,436) |
| | |
| Nonoperating Revenues (Expenses): | |
| Intergovernmental Revenues | 43,072 |
| | |
| Income (Loss) Before Transfers | (56,364) |
| | |
| Transfers In | 58,496 |
| | |
| Changes in Net Position | 2,132 |
| | |
| Net Position -- Beginning | 36,896 |
| Net Position -- Ending | $ 39,028 |

# STATISTICAL SECTION
# (UNAUDITED)

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

# COUNTY OF MILWAUKEE, WISCONSIN

## Statistical Section

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

**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| | (a) | | (b) | (c) | | (d) | (e) | | | (f) |
| **Governmental Activities:** | | | | | | | | | | |
| Net Investment in Capital Assets | $ 421,954 | $ 406,664 | $ 398,593 | $ 408,914 | $ 396,649 | $ 372,792 | $ 322,247 | $ 293,406 | $ 269,272 | $ 198,007 |
| Restricted for: | | | | | | | | | | |
| Airport - PFC and Debt | 44,839 | 38,237 | 28,779 | 28,737 | 27,398 | 26,352 | 29,369 | 27,199 | 26,921 | 22,179 |
| Behavioral Health Division (BHD) (d) | 40,133 | 37,249 | 33,890 | 23,968 | 17,855 | 9,082 | 9,986 | 7,169 | 8,360 | 8,978 |
| Commitments | 50,162 | 60,868 | 56,717 | 65,338 | 68,029 | 54,731 | 41,742 | 19,068 | - | - |
| Debt Service | 47,782 | 40,739 | 44,481 | 47,176 | 40,238 | 34,964 | 27,063 | 11,577 | 7,332 | 6,220 |
| Delinquent Property Tax | 9,408 | 9,922 | 11,053 | 12,204 | 14,072 | 14,797 | 15,275 | 14,826 | - | - |
| Department of Family Care (b) | - | - | - | 31,691 | 35,358 | 35,357 | 27,754 | 25,092 | 12,182 | 10,012 |
| Fleet and Facilities Divisions (e & f ) | 9,582 | 9,630 | 9,692 | 9,782 | 9,851 | 10,192 | 10,270 | 5,781 | 6,183 | 6,499 |
| Other | 19,574 | 18,686 | 19,807 | 20,458 | 19,950 | 24,034 | 21,247 | 10,918 | 1,898 | 1,909 |
| Unrestricted (a & c) | (2,017,858) | (1,129,482) | (1,049,925) | (1,042,553) | (316,659) | (321,623) | (316,075) | (241,327) | (193,380) | (122,177) |
| **Subtotal Governmental Activities Net Position** | **(1,374,424)** | **(507,487)** | **(446,913)** | **(394,285)** | **312,741** | **260,678** | **188,878** | **173,709** | **138,768** | **131,627** |
| **Business-type Activities:** | | | | | | | | | | |
| Net Investment in Capital Assets | 336,651 | 347,249 | 347,465 | 364,899 | 345,437 | 299,463 | 270,351 | 242,984 | 206,417 | 178,590 |
| Restricted For: | | | | | | | | | | |
| Capital Asset Needs | 20,986 | 21,024 | 21,713 | 19,291 | 16,357 | 14,004 | 10,450 | 8,039 | 5,057 | 5,113 |
| Commitments | 4,855 | 3,211 | 3,259 | 3,812 | 4,432 | 2,769 | 3,619 | - | - | - |
| Debt | 17,777 | 16,910 | 16,758 | 17,597 | 19,044 | 17,680 | 15,288 | 15,161 | 14,836 | 14,253 |
| Unrestricted (a & c) | (379,274) | (83,541) | (85,056) | (85,032) | 433 | 492 | 876 | 5,104 | 9,924 | 5,256 |
| **Subtotal Business-type Activities Net Position** | **$ 995** | **$ 304,853** | **$ 304,139** | **$ 320,567** | **$ 385,703** | **$ 334,408** | **$ 300,584** | **$ 271,288** | **$ 236,234** | **$ 203,212** |

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| | (a) | | (b) | (c) | | (d) | (e) | | | (f) |
| **Primary Government:** | | | | | | | | | | |
| Net Investment in Capital Assets | $ 758,605 | $ 753,913 | $ 746,058 | $ 773,813 | $ 742,086 | $ 672,255 | $ 592,598 | $ 536,390 | $ 475,689 | $ 376,597 |
| Restricted For: | | | | | | | | | | |
| Airport - PFC and Debt | 44,839 | 38,237 | 28,779 | 28,737 | 27,398 | 26,352 | 29,369 | 27,199 | 26,921 | 22,179 |
| Behavioral Health Division (BHD) (d) | 40,133 | 37,249 | 33,890 | 23,968 | 17,855 | 9,082 | 9,986 | 7,169 | 8,360 | 8,978 |
| Capital Asset Needs | 20,986 | 21,024 | 21,713 | 19,291 | 16,357 | 14,004 | 10,450 | 8,039 | 5,057 | 5,113 |
| Commitments | 55,017 | 64,079 | 59,976 | 69,150 | 72,461 | 57,500 | 45,361 | 19,068 | - | - |
| Debt | 65,559 | 57,649 | 61,239 | 64,773 | 59,282 | 52,644 | 42,351 | 26,738 | 22,168 | 20,473 |
| Delinquent Property Tax | 9,408 | 9,922 | 11,053 | 12,204 | 14,072 | 14,797 | 15,275 | 14,826 | - | - |
| Department of Family Care (b) | - | - | - | 31,691 | 35,358 | 35,357 | 27,754 | 25,092 | 12,182 | 10,012 |
| Fleet and Facilities Divisions (e & f) | 9,582 | 9,630 | 9,692 | 9,782 | 9,851 | 10,192 | 10,270 | 5,781 | 6,183 | 6,499 |
| Other | 19,574 | 18,686 | 19,807 | 20,458 | 19,950 | 24,034 | 21,247 | 10,918 | 1,898 | 1,909 |
| Unrestricted (a & c) | (2,397,132) | (1,213,023) | (1,134,981) | (1,127,585) | (316,226) | (321,131) | (315,199) | (236,223) | (183,456) | (116,921) |
| **Total Primary Government Activities Net Position** | $ (1,373,429) | $ (202,634) | $ (142,774) | $ (73,718) | $ 698,444 | $ 595,086 | $ 489,462 | $ 444,997 | $ 375,002 | $ 334,839 |

**Notes:**

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

(a) In 2018, a restatement occurred due to the implementation of GASB 75.
(b) In 2016, Wisconsin Act 55 required Family Care to become organized as a non-governmental entity (IHA). Family Care separated from Milwaukee County in September 2016.
(c) In 2015, a restatement occurred due to the implementation of GASB 68.
(d) In 2013, Wisconsin Act 203 created the Mental Health Board. BHD surplus is now restricted. A new capital reserve was also created.
(e) In 2012, the County began reporting the activities of its Public Works - Professional Services Divisions as part of the General Fund. Prior to 2012, it had been reported as part of the Internal Service Funds.
(f) In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, it had been reported as part of the Internal Service Funds.

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | (a) | (b) | | | (c) | (d) | | | (e) |
| **Expenses (by Function):** | | | | | | | | | | |
| **Governmental Activities:** | | | | | | | | | | |
| Legislative, Executive and Staff | $ 46,097 | $ 63,439 | $ 56,063 | $ 51,469 | $ 46,266 | $ 49,832 | $ 56,232 | $ 51,886 | $ 51,340 | $ 52,144 |
| Courts and Judiciary | 59,360 | 59,827 | 60,318 | 54,296 | 51,904 | 50,502 | 56,516 | 53,132 | 57,121 | 63,839 |
| General Governmental Services | 12,602 | 13,089 | 13,374 | 13,989 | 12,980 | 12,165 | 10,969 | 6,668 | 4,077 | 7,991 |
| Public Safety | 174,702 | 194,000 | 178,807 | 154,830 | 143,774 | 147,637 | 156,162 | 162,316 | 164,447 | 148,192 |
| Public Works and Highways (d & e) | 87,701 | 119,825 | 91,630 | 82,848 | 104,079 | 79,849 | 90,974 | 89,559 | 66,641 | 93,756 |
| Human Services (b & c) | 323,540 | 319,930 | 494,362 | 572,031 | 551,239 | 556,149 | 563,378 | 597,078 | 616,717 | 648,296 |
| Parks, Recreation and Culture | 90,315 | 113,016 | 86,233 | 87,639 | 76,644 | 76,960 | 80,553 | 79,709 | 77,221 | 83,520 |
| Interest and Other Charges | 18,281 | 19,783 | 21,180 | 22,439 | 23,294 | 34,545 | 35,503 | 29,448 | 39,472 | 35,361 |
| **Total Governmental Activities Expenses** | 812,598 | 902,909 | 1,001,967 | 1,039,541 | 1,010,180 | 1,007,639 | 1,050,287 | 1,069,796 | 1,077,036 | 1,133,099 |
| **Business-type Activities:** | | | | | | | | | | |
| Airports | 92,641 | 103,736 | 99,394 | 94,951 | 98,006 | 89,720 | 87,901 | 90,183 | 82,692 | 74,305 |
| Transit | 154,766 | 163,714 | 173,506 | 161,761 | 166,953 | 163,844 | 169,061 | 175,880 | 174,960 | 178,208 |
| **Total Business-type Activities Expenses** | 247,407 | 267,450 | 272,900 | 256,712 | 264,959 | 253,564 | 256,962 | 266,063 | 257,652 | 252,513 |
| **Total Primary Government Expenses** | 1,060,005 | 1,170,359 | 1,274,867 | 1,296,253 | 1,275,139 | 1,261,203 | 1,307,249 | 1,335,859 | 1,334,688 | 1,385,612 |
| **Program Revenues (by Function):** | | | | | | | | | | |
| **Governmental Activities:** | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Legislative, Executive and Staff | 5,825 | 14,776 | 4,841 | 4,479 | 3,750 | 3,270 | 4,048 | 198 | 1,786 | 5,811 |
| Courts and Judiciary | 3,920 | 3,824 | 3,814 | 3,695 | 3,666 | 3,923 | 3,994 | 4,431 | 4,622 | 4,758 |
| General Governmental Services | 4,988 | 5,039 | 5,038 | 4,650 | 4,791 | 5,377 | 5,407 | 4,571 | 4,243 | 4,782 |
| Public Safety | 13,426 | 12,320 | 12,213 | 12,002 | 9,598 | 11,698 | 10,153 | 9,986 | 9,992 | 10,500 |
| Public Works and Highways (d & e) | 29,854 | 41,469 | 29,218 | 23,819 | 30,261 | 27,931 | 25,216 | 30,260 | 29,537 | 27,746 |
| Human Services (b & c) | 112,172 | 97,363 | 292,544 | 368,906 | 354,424 | 359,331 | 343,742 | 347,018 | 328,101 | 286,763 |
| Parks, Recreation and Culture | 28,703 | 31,133 | 35,764 | 36,584 | 32,619 | 33,007 | 32,304 | 29,491 | 31,381 | 31,726 |
| Operating Grants and Contributions: | | | | | | | | | | |
| Legislative, Executive and Staff | 611 | 622 | 413 | 641 | 1,183 | 921 | 1,394 | 3,635 | 1,530 | 355 |
| Courts and Judiciary | 25,263 | 25,632 | 25,826 | 25,802 | 24,889 | 23,398 | 24,084 | 23,212 | 26,626 | 22,063 |
| General Governmental Services | 77 | 74 | 55 | 52 | 88 | 70 | 53 | 50 | 43 | 79 |
| Public Safety | 12,905 | 12,587 | 13,321 | 14,283 | 14,056 | 14,325 | 15,941 | 18,543 | 18,015 | 17,967 |
| Public Works and Highways (d & e) | 21,121 | 20,954 | 19,631 | 19,505 | 19,141 | 18,346 | 18,859 | 37,853 | 17,526 | 16,913 |
| Human Services (b & c) | 126,301 | 122,673 | 119,991 | 139,378 | 133,066 | 133,770 | 131,452 | 169,911 | 202,219 | 261,271 |
| Parks, Recreation and Culture | 413 | 433 | 279 | 398 | 248 | 218 | 316 | 2,105 | 1,382 | 680 |

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | (a) | (b) | | | (c) | (d) | | | (e) |
| **Program Revenues (by Function) (cont'd)** | | | | | | | | | | |
| **Governmental Activities (cont):** | | | | | | | | | | |
| Capital Grants and Contributions: | | | | | | | | | | |
| Public Works and Highways (d & e) | $ 7,736 | $ 16,633 | $ 73 | $ 6,287 | $ 2,085 | $ 2,157 | $ - | $ 71 | $ 160 | $ 30,638 |
| Human Services (b & c) | - | - | 1,094 | - | - | - | - | - | - | - |
| Parks, Recreation and Culture | 1,872 | 1,952 | 1,615 | 3,402 | 505 | 1,822 | - | - | - | 2,074 |
| **Total Governmental Activities - Program Revenues** | 395,187 | 407,484 | 565,730 | 663,883 | 634,370 | 639,564 | 616,963 | 681,335 | 677,163 | 724,126 |
| **Business-type Activities:** | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Airports | 84,136 | 95,323 | 91,293 | 89,989 | 86,560 | 85,520 | 83,306 | 87,254 | 79,644 | 70,997 |
| Transit | 40,884 | 39,704 | 39,292 | 43,132 | 47,790 | 48,867 | 50,521 | 56,606 | 57,624 | 55,424 |
| Operating Grants and Contributions: | | | | | | | | | | |
| Airports | 346 | 244 | 253 | 183 | 193 | 235 | 579 | 159 | 309 | 179 |
| Transit | 92,122 | 89,484 | 94,168 | 87,851 | 91,587 | 88,107 | 91,776 | 89,670 | 89,186 | 89,931 |
| Capital Grants and Contributions: | | | | | | | | | | |
| Airports | 6,311 | 7,087 | 8,158 | 26,545 | 59,317 | 15,171 | 23,037 | 35,767 | 25,284 | 23,119 |
| Transit | (312) | 10,794 | 3,927 | 12,125 | 11,797 | 22,191 | 24,450 | 15,816 | 24,205 | (5,536) |
| **Total Business-type Activities - Program Revenues** | 223,487 | 242,636 | 237,091 | 259,825 | 297,244 | 260,091 | 273,669 | 285,272 | 276,252 | 234,114 |
| **Total Primary Government - Program Revenues** | 618,674 | 650,120 | 802,821 | 923,708 | 931,614 | 899,655 | 890,632 | 966,607 | 953,415 | 958,240 |
| **Net (Expense)/Revenue:** | | | | | | | | | | |
| Governmental Activities | (417,411) | (495,425) | (436,237) | (375,658) | (375,810) | (368,075) | (433,324) | (388,461) | (399,873) | (408,973) |
| Business-type Activities | (23,920) | (24,814) | (35,809) | 3,113 | 32,285 | 6,527 | 16,707 | 19,209 | 18,600 | (18,399) |
| **Total Primary Net (Expense)/Revenue** | (441,331) | (520,239) | (472,046) | (372,545) | (343,525) | (361,548) | (416,617) | (369,252) | (381,273) | (427,372) |

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 (a) | 2016 (b) | 2015 | 2014 | 2013 (c) | 2012 (d) | 2011 | 2010 | 2009 (e) |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Revenues and Other Changes in Net Position:** | | | | | | | | | | |
| **Governmental Activities:** | | | | | | | | | | |
| Gain on Sale of Capital Assets | $ - | $ 8,597 | $ 1,874 | $ - | $ 12,696 | $ 36,315 | $ - | $ - | $ - | $ - |
| Intergovernmental Revenues Not Related to Specific Programs | 34,174 | 34,082 | 33,559 | 37,271 | 36,797 | 34,443 | 44,402 | 45,238 | 44,952 | 46,056 |
| Vehicle Registration Fee (a) | 1,340 | - | - | - | - | - | - | - | - | - |
| Investment Income | 6,395 | 2,870 | 2,531 | 2,246 | 777 | 478 | 6,186 | 3,554 | 4,476 | 7,120 |
| Other Revenue | 38,604 | 36,273 | 26,768 | 40,212 | 43,597 | 46,362 | 66,356 | 52,497 | 43,339 | 27,090 |
| Proceeds from Settlement of Lawsuit | - | - | - | - | - | - | - | - | - | 29,000 |
| Taxes: | | | | | | | | | | |
| Property Taxes | 294,488 | 291,370 | 289,631 | 285,494 | 284,461 | 283,631 | 279,179 | 273,297 | 266,973 | 260,724 |
| Sales Taxes | 79,226 | 74,603 | 73,009 | 70,838 | 67,826 | 65,488 | 64,740 | 64,348 | 61,534 | 59,258 |
| Special Item - Separation of Family Care (b) | - | - | (24,722) | - | - | - | - | - | - | - |
| Transfers | (13,438) | (12,944) | (19,041) | (17,040) | (18,281) | (26,842) | (12,370) | (15,532) | (14,260) | (21,521) |
| **Total Governmental Activities** | 440,789 | 434,851 | 383,609 | 419,021 | 427,873 | 439,875 | 448,493 | 423,402 | 407,014 | 407,727 |
| **Business-type Activities:** | | | | | | | | | | |
| Gain (Loss) on Sale of Capital Assets | 63 | (7) | - | (86) | - | 123 | - | - | - | - |
| Investment Income | 1,108 | 362 | 340 | 300 | 729 | 332 | 219 | 313 | 162 | 945 |
| Other Revenue | - | - | - | 6 | - | - | - | - | - | - |
| Transfers | 13,438 | 12,944 | 19,041 | 17,040 | 18,281 | 26,842 | 12,370 | 15,532 | 14,260 | 21,521 |
| Vehicle Registration Fee (a) | 15,822 | 12,229 | - | - | - | - | - | - | - | - |
| **Total Business-type Activities** | 30,431 | 25,528 | 19,381 | 17,260 | 19,010 | 27,297 | 12,589 | 15,845 | 14,422 | 22,466 |
| **Total Primary Government** | 471,220 | 460,379 | 402,990 | 436,281 | 446,883 | 467,172 | 461,082 | 439,247 | 421,436 | 430,193 |
| **Change in Net Position:** | | | | | | | | | | |
| Governmental Activities | 23,378 | (60,574) | (52,628) | 43,363 | 52,063 | 71,800 | 15,169 | 34,941 | 7,141 | (1,246) |
| Business-type Activities | 6,511 | 714 | (16,428) | 20,373 | 51,295 | 33,824 | 29,296 | 35,054 | 33,022 | 4,067 |
| **Total Primary Government** | $ 29,889 | $ (59,860) | $ (69,056) | $ 63,736 | $ 103,358 | $ 105,624 | $ 44,465 | $ 69,995 | $ 40,163 | $ 2,821 |

**Notes:**

(a) In 2017, Milwaukee County enacted a Vehicle Registration Fee for all vehicles titled in Milwaukee County.
(b) In 2016, Wisconsin Act 55 required Family Care to become organized as a non-governmental entity (IHA). Family Care separated from Milwaukee County in September 2016.
(c) In 2013, Wisconsin Act 203 created the Mental Health Board. BHD surplus is now restricted. A new capital reserve was also created.
(d) In 2012, the County began reporting the activities of its Public Works - Professional Services Divisions as part of the General Fund. Prior to 2012, it had been reported as part of the Internal Service Funds.
(e) In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, it had been reported as part of the Internal Service Funds.

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | (a & b) | | | (c) | (d) | | | (e) |
| **General Fund (Per GASB 54): ^** | | | | | | | | | | |
| Non-spendable: | | | | | | | | | | |
| Deposits (a) | $ - | $ - | $ 3,173 | $ - | $ - | $ - | $ - | $ - | | |
| Inventories | 1,503 | 1,849 | 2,205 | 2,364 | 2,722 | 2,696 | 2,815 | 2,085 | | |
| Prepaids (a) | 608 | 868 | 1,071 | - | - | - | - | - | | |
| Restricted: | | | | | | | | | | |
| 2020 Appropriations | 5,000 | - | - | - | - | - | - | - | | |
| 2019 Appropriations | 4,798 | 4,798 | - | - | - | - | - | - | | |
| 2018 Appropriations | - | 5,000 | 5,000 | - | - | - | - | - | | |
| 2017 Appropriations | - | - | 5,000 | 5,000 | - | - | - | - | | |
| 2016 Appropriations | - | - | - | 5,000 | 5,000 | - | - | - | | |
| 2015 Appropriations | - | - | - | - | 5,000 | 5,000 | - | - | | |
| 2014 Appropriations | - | - | - | - | - | 5,000 | 5,000 | - | | |
| 2013 Appropriations | - | - | - | - | - | - | 5,539 | 5,539 | | |
| 2012 Appropriations | - | - | - | - | - | - | - | 8 | | |
| Behavioral Health Division (BHD) (c) | 29,090 | 26,923 | 24,583 | 14,899 | 8,483 | - | - | - | | |
| Commitments | 11,069 | 16,172 | 11,325 | 14,081 | 7,734 | 10,181 | 9,284 | 9,021 | | |
| Delinquent Property Tax | 9,408 | 9,922 | 11,053 | 12,204 | 14,072 | 14,797 | 15,275 | 14,826 | | |
| Department of Family Care - Excess Reserves (b) | - | - | - | 19,460 | 23,138 | 23,149 | 16,322 | 12,910 | | |
| Department of Family Care - State Restricted (b) | - | - | - | 12,231 | 12,220 | 12,208 | 11,432 | 12,182 | | |
| Housing | 680 | 456 | 794 | - | 185 | 835 | 627 | 1,369 | | |
| Investment Fair Value in Excess of Book Value | - | - | - | - | - | - | 999 | 1,850 | | |
| Committed: | | | | | | | | | | |
| Economic Development | 639 | 639 | 2,439 | 2,939 | 2,739 | 1,196 | 1,196 | 196 | | |
| Workforce Development | - | - | - | - | - | - | 722 | | | |
| | **62,795** | **66,627** | **66,643** | **88,178** | **81,293** | **75,062** | **69,211** | **59,986** | | |
| **General Fund (Prior to GASB 54): ^** | | | | | | | | | | |
| Reserved for 2012 Appropriations | | | | | | | | | $ 8 | $ - |
| Reserved for 2011 Appropriations | | | | | | | | | 4,144 | 4,144 |
| Reserved for 2010 Appropriations | | | | | | | | | - | 4,144 |
| Reserved for Delinquent Property Tax | | | | | | | | | 14,826 | 13,558 |
| Reserved for Encumbrances | | | | | | | | | 5,092 | 6,205 |
| Reserved for Inventories | | | | | | | | | 2,070 | 1,837 |
| Reserved for Milwaukee County Family Care | | | | | | | | | 12,182 | 10,012 |
| Unreserved: | | | | | | | | | | |
| Designated for Aging CMO | | | | | | | | | - | 437 |
| Designated for Economic Development | | | | | | | | | 196 | 196 |
| Designated for Family Care | | | | | | | | | 3,233 | - |
| Designated for Housing | | | | | | | | | 948 | 813 |
| Designated for Investments | | | | | | | | | 2,476 | 2,561 |
| **Subtotal General Fund** | | | | | | | | | **45,175** | **43,907** |

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | (a & b) | | | (c) | (d) | | | (e) |
| **All Other Governmental Funds (Per GASB 54): ^** | | | | | | | | | | |
| Restricted: | | | | | | | | | | |
| Administrative Services | $ 5,313 | $ 5,186 | $ 5,647 | $ 7,016 | $ 7,016 | $ 7,016 | $ 6,984 | $ 136 | | |
| Airports - Passenger Facilities Charges and Debt | 44,839 | 38,237 | 28,779 | 28,737 | 27,398 | 26,352 | 29,369 | 27,199 | | |
| Behavioral Health Division (c) | 11,043 | 10,326 | 9,307 | 9,068 | 9,372 | 9,082 | 9,986 | 7,169 | | |
| Commitments | 34,501 | 43,253 | 43,641 | 50,512 | 59,387 | 48,276 | 31,737 | 67,872 | | |
| Debt Service | 47,782 | 40,739 | 44,481 | 47,176 | 40,238 | 34,964 | 27,063 | 11,577 | | |
| Fleet and Facilities Divisions (d) | 9,582 | 9,630 | 9,692 | 9,782 | 9,851 | 10,192 | 10,270 | 5,781 | | |
| Parks | 1,700 | 1,289 | 1,540 | 1,593 | 1,532 | 1,240 | 1,074 | 1,027 | | |
| Persons with Disabilities | 108 | 104 | 100 | 97 | 99 | 101 | 110 | 115 | | |
| Zoo | 1,975 | 1,853 | 1,726 | 1,751 | 1,118 | 950 | 914 | 874 | | |
| **Subtotal All Other Governmental Funds** | **156,843** | **150,617** | **144,913** | **155,732** | **156,011** | **138,173** | **117,507** | **121,750** | | |
| **Total Governmental Funds Balance** | **$ 219,638** | **$ 217,244** | **$ 211,556** | **$ 243,910** | **$ 237,304** | **$ 213,235** | **$ 186,718** | **$ 181,736** | | |
| **All Other Governmental Funds (Prior to GASB 54): ^** | | | | | | | | | | |
| Reserved For: | | | | | | | | | | |
| Reserved for Administrative Services | | | | | | | | | $ 136 | $ 136 |
| Reserved for Airports - PFC and Debt | | | | | | | | | 26,921 | 22,179 |
| Reserved for Behavioral Health Division | | | | | | | | | 8,360 | 8,978 |
| Reserved for Debt Service | | | | | | | | | 7,332 | 6,220 |
| Reserved for Encumbrances | | | | | | | | | 98,216 | 64,468 |
| Reserved for Fleet and Facilities Divisions (e) | | | | | | | | | 6,183 | 6,499 |
| Reserved for Parks | | | | | | | | | 930 | 998 |
| Reserved for Persons with Disabilities | | | | | | | | | 121 | 123 |
| Reserved for Zoo | | | | | | | | | 711 | 652 |
| **Subtotal All Other Governmental Funds** | | | | | | | | | **148,910** | **110,253** |
| **Total Governmental Funds Balance** | | | | | | | | | **$ 194,085** | **$ 154,160** |

**Notes:**

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

(a) In 2016, deposits and prepaid items are reported as nonspendable fund balances. Prior to 2016, these balances were not reported as nonspendable fund balances.
(b) In 2016, Wisconsin Act 55 required Family Care to become organized as a non-governmental entity (IHA). Family Care separated from Milwaukee County in September 2016.
(c) In 2013, Wisconsin Act 203 created the Mental Health Board. BHD surplus is now restricted. A new capital reserve was also created.
(d) In 2012, the County began reporting the activities of its Public Works - Professional Services Divisions as part of the General Fund. Prior to 2012, it had been reported as part of the Internal Service Funds.
(e) In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, it had been reported as part of the Internal Service Funds.

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | (a) | | (b) | (c) | (d) | | | (e) |
| **Revenues:** | | | | | | | | | | |
| Intergovernmental | $ 254,046 | $ 249,949 | $ 234,486 | $ 244,760 | $ 230,904 | $ 233,696 | $ 254,672 | $ 318,776 | $ 335,573 | $ 380,540 |
| Property Taxes | 294,488 | 291,370 | 289,631 | 285,494 | 284,462 | 283,632 | 279,179 | 273,297 | 266,973 | 260,724 |
| Sales Taxes | 79,227 | 74,603 | 73,009 | 70,838 | 67,826 | 65,488 | 64,740 | 64,348 | 61,534 | 59,258 |
| Vehicle Registration Fee | 1,340 | - | - | - | - | - | - | - | - | - |
| Charges for Services (a & b) | 178,508 | 192,999 | 377,451 | 443,611 | 429,945 | 420,623 | 414,039 | 405,138 | 388,274 | 344,591 |
| Fines and Forfeits | 2,653 | 2,199 | 2,089 | 1,734 | 1,680 | 2,172 | 2,621 | 2,932 | 3,284 | 3,245 |
| Licenses and Permits | 1,087 | 1,017 | 968 | 885 | 932 | 642 | 577 | 453 | 640 | 453 |
| Investment Income (b) | 6,397 | 2,871 | 2,530 | 2,245 | 777 | 10,260 | 9,069 | 10,730 | 11,540 | 11,352 |
| Other | 33,423 | 37,713 | 29,602 | 39,031 | 39,716 | 41,846 | 63,690 | 53,147 | 46,903 | 40,142 |
| **Total Revenues** | **851,169** | **852,721** | **1,009,766** | **1,088,598** | **1,056,242** | **1,058,359** | **1,088,587** | **1,128,821** | **1,114,721** | **1,100,305** |
| **Expenditures:** | | | | | | | | | | |
| Legislative, Executive and Staff | 19,227 | 32,180 | 28,233 | 25,093 | 17,995 | 20,053 | 23,382 | 21,433 | 21,309 | 22,191 |
| Courts and Judiciary | 57,004 | 56,624 | 58,324 | 54,749 | 51,435 | 50,229 | 53,383 | 52,699 | 55,384 | 59,984 |
| General Governmental Services | 11,797 | 11,982 | 13,247 | 12,996 | 13,261 | 11,070 | 9,939 | 6,746 | 6,747 | 7,395 |
| Public Safety | 160,726 | 164,875 | 163,549 | 152,835 | 144,219 | 146,410 | 145,119 | 159,708 | 154,196 | 146,994 |
| Public Works and Highways (d & e) | 63,901 | 77,018 | 66,313 | 59,537 | 66,768 | 63,591 | 54,629 | 57,549 | 50,676 | 64,062 |
| Human Services (a & c) | 326,635 | 306,630 | 496,863 | 567,749 | 554,581 | 553,866 | 554,697 | 591,802 | 611,136 | 628,574 |
| Parks, Recreation and Culture | 68,682 | 73,096 | 69,995 | 70,964 | 64,258 | 64,231 | 65,212 | 65,271 | 64,062 | 66,806 |
| Capital Outlay | 55,781 | 63,058 | 48,696 | 75,123 | 58,199 | 66,908 | 68,446 | 72,549 | 80,584 | 56,994 |
| Debt Service: | | | | | | | | | | |
| Interest | 18,346 | 18,976 | 20,236 | 21,663 | 22,704 | 50,700 | 36,993 | 36,894 | 38,036 | 32,215 |
| Principal Retired | 58,003 | 65,596 | 59,514 | 57,700 | 69,942 | 56,761 | 63,913 | 61,626 | 60,202 | 48,164 |
| Principal Retired on Refunding | 51,620 | 15,338 | 16,055 | 14,738 | - | 227,004 | - | - | - | - |
| Subtotal Debt Service | 127,969 | 99,910 | 95,805 | 94,101 | 92,646 | 334,465 | 100,906 | 98,520 | 98,238 | 80,379 |
| **Total Expenditures** | **891,722** | **885,373** | **1,041,025** | **1,113,147** | **1,063,362** | **1,310,823** | **1,075,713** | **1,126,277** | **1,142,332** | **1,133,379** |
| **Excess/(Deficiency) of Revenues Over/(Under) Expenditures** | **(40,553)** | **(32,652)** | **(31,259)** | **(24,549)** | **(7,120)** | **(252,464)** | **12,874** | **2,544** | **(27,611)** | **(33,074)** |

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 | 2016 (a) | 2015 | 2014 (b) | 2013 (c) | 2012 (d) | 2011 | 2010 | 2009 (e) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Other Financing Sources (Uses)** | | | | | | | | | | |
| General Obligation Bonds Issued | $ 25,639 | $ 29,998 | $ 37,799 | $ 49,367 | $ 39,209 | $ 259,248 | $ 20,301 | $ 31,757 | $ 82,985 | $ 90,000 |
| Refunding Bonds Issued | 47,942 | 14,248 | 15,490 | - | - | - | - | - | - | - |
| Premium/(Discount) on Debt Issued | 4,165 | 1,176 | 1,574 | 1,570 | 1,106 | 839 | 3,053 | 4,176 | - | (80) |
| Payment to Refunded Bond Escrow Agent | - | - | - | - | - | - | (23,145) | (35,756) | - | - |
| Principal Payment - Current Refunding | - | - | - | - | - | - | - | - | - | (9,214) |
| Contribution to Employee Retirement System | - | - | - | - | - | - | - | - | - | (426,692) |
| Pension Liability Bonds Issued | - | - | - | - | - | - | - | - | - | 400,000 |
| Insurance Recoveries | - | - | - | - | 2,046 | 13,000 | - | - | - | - |
| Payments on Capital Leases | - | - | - | 93 | 324 | 1,383 | - | - | - | - |
| Proceeds from Legal Settlement | - | - | - | - | - | - | - | - | - | 29,000 |
| Proceeds from Sale of Capital Assets | 375 | 15,559 | 2,141 | - | 12,696 | 36,315 | - | - | - | - |
| Transfers In | 82,295 | 69,767 | 168,511 | 140,941 | 111,970 | 113,594 | 128,310 | 104,061 | 212,816 | 89,852 |
| Transfers Out | (117,469) | (92,408) | (190,478) | (160,816) | (136,162) | (145,398) | (136,411) | (119,131) | (228,265) | (102,501) |
| **Total Other Financing Sources (Uses)** | **42,947** | **38,340** | **35,037** | **31,155** | **31,189** | **278,981** | **(7,892)** | **(14,893)** | **67,536** | **70,365** |
| **Special Items** | | | | | | | | | | |
| Payment on Guaranteed Loan | - | - | (11,410) | - | - | - | - | - | - | - |
| Separation of Family Care (a) | - | - | (24,722) | - | - | - | - | - | - | - |
| **Total Special Items** | **-** | **-** | **(36,132)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Net Change in Fund Balances** | **$ 2,394** | **$ 5,688** | **$ (32,354)** | **$ 6,606** | **$ 24,069** | **$ 26,517** | **$ 4,982** | **$ (12,349)** | **$ 39,925** | **$ 37,291** |
| **Debt Services as a Percentage of Noncapital Expenditures** | **15.31 %** | **12.15 %** | **9.65 %** | **9.07 %** | **9.22 %** | **26.89 %** | **10.02 %** | **9.35 %** | **9.25 %** | **7.47 %** |

**Notes:**

(a) In 2016, Wisconsin Act 55 required Family Care to become organized as a non-governmental entity (IHA). Family Care separated from Milwaukee County in September 2016.
(b) In 2014, the County separated Investment Income and Rents to report Investment Income separately and Rents with Charges for Services. Prior to 2014, Investment Income and Rents were reported together.
(c) In 2013, Wisconsin Act 203 created the Mental Health Board. BHD surplus is now restricted. A new capital reserve was also created.
(d) In 2012, the County began reporting the activities of its Public Works - Professional Services Divisions as part of the General Fund. Prior to 2012, it had been reported as part of the Internal Service Funds.
(e) In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, it had been reported as part of the Internal Service Funds.

# COUNTY OF MILWAUKEE, WISCONSIN

Property Tax Levies and Collections
Last Ten Years Ended December 31
(In Thousands)

| Tax Levy Year | Tax Budget Year | Total Property Tax Levy | Collections in Budget Year | Percent of Tax Collections in Budget Year | Collections in Subsequent Years | Total Collections to Date | Percent of Tax Collections to Date | Total Delinquent Taxes |
|---|---|---|---|---|---|---|---|---|
| **2018** | **2019** | $ 295,180 | Information not available at print time | | | | | |
| **2017** | **2018** | 293,626 | $ 288,913 | 98.39 % | $ - | $ 288,913 | 98.39 % | $ 4,713 |
| **2016** | **2017** | 291,878 | 286,938 | 98.31 % | 2,309 | 289,247 | 99.10 % | 2,631 |
| **2015** | **2016** | 287,795 | 279,265 | 97.04 % | 6,706 | 285,971 | 99.37 % | 1,824 |
| **2014** | **2015** | 283,799 | 274,868 | 96.85 % | 8,095 | 282,963 | 99.71 % | 836 |
| **2013** | **2014** | 280,130 | 270,472 | 96.55 % | 9,190 | 279,662 | 99.83 % | 468 |
| **2012** | **2013** | 280,134 | 267,487 | 95.49 % | 12,479 | 279,966 | 99.94 % | 168 |
| **2011** | **2012** | 276,194 | 261,959 | 94.85 % | 14,118 | 276,077 | 99.96 % | 117 |
| **2010** | **2011** | 270,386 | 256,180 | 94.75 % | 14,128 | 270,308 | 99.97 % | 78 |
| **2009** | **2010** | 264,102 | 248,351 | 94.04 % | 15,706 | 264,057 | 99.98 % | 45 |

**Note:**

In November, the Certification of Apportionment of State and County Property Taxes and Charges is filed with the Wisconsin Department of Revenue. This certification provides the State's and County's levies for each of the municipalities. In accordance with State Statute 74.30, each municipality will pay the County its proportionate share, along with the State's share, of the property taxes collected by the 15th of the month following their installment schedule. During the settlement month of August, State Statute 74.29(2) requires all municipalities to pay each taxing jurisdiction their remaining uncollected portions. State Statute 74.29(1) has the County paying all real property and special taxes that remain uncollected along with special assessments and special charges as adopted by the County Board to all municipalities located in the County except the City of Milwaukee which is responsible for collecting property taxes within the boundaries of the City.

**Source:**

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

# COUNTY OF MILWAUKEE, WISCONSIN

Equalized Value of Taxable Property
Last Ten Years Ended December 31
(In Thousands)

| Tax Levy Year | Tax Budget Year | Real Property | | | | Personal Property | Equalized Value | Less: Tax Incremental District | Taxable Equalized Value | Direct Tax Rate | Aggregate Assessed Value |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Residential | Commercial | Manufacturing | Other | | | | | | |
| | | (a) | (a) | (a) | (a) | (a) | (a,b) | (b) | | (c) | (c) |
| **2018** | **2019** | $39,154,908 | $ 21,998,519 | $ 1,516,648 | $ 34,097 | $ 1,361,444 | $ 64,065,616 | $ (3,872,098) | $ 60,193,518 | $ 4.90 | $ 62,246,892 |
| **2017** | **2018** | 37,879,640 | 20,245,941 | 1,517,746 | 33,229 | 1,736,741 | 61,413,297 | (3,295,500) | 58,117,797 | 5.05 | 60,309,505 |
| **2016** | **2017** | 36,885,566 | 20,136,822 | 1,519,121 | 32,044 | 1,719,007 | 60,292,560 | (3,018,194) | 57,274,366 | 5.10 | 58,636,179 |
| **2015** | **2016** | 36,320,315 | 19,071,770 | 1,483,307 | 31,800 | 1,645,987 | 58,553,179 | (2,491,590) | 56,061,589 | 5.14 | 57,193,142 |
| **2014** | **2015** | 36,173,659 | 18,648,195 | 1,460,158 | 31,809 | 1,940,102 | 58,253,923 | (2,600,473) | 55,653,450 | 5.10 | 57,051,144 |
| **2013** | **2014** | 35,671,139 | 18,154,823 | 1,478,209 | 32,814 | 1,790,540 | 57,127,525 | (2,518,176) | 54,609,349 | 5.13 | 57,209,236 |
| **2012** | **2013** | 36,872,973 | 17,678,403 | 1,493,276 | 32,712 | 1,704,938 | 57,782,302 | (2,252,219) | 55,530,083 | 5.05 | 58,280,360 |
| **2011** | **2012** | 39,498,360 | 18,265,539 | 1,503,698 | 29,309 | 1,802,123 | 61,099,029 | (2,547,465) | 58,551,564 | 4.72 | 61,277,079 |
| **2010** | **2011** | 40,952,804 | 18,922,989 | 1,520,372 | 27,242 | 1,980,103 | 63,403,510 | (2,673,043) | 60,730,467 | 4.46 | 62,221,937 |
| **2009** | **2010** | 43,426,050 | 19,907,219 | 1,487,194 | 28,960 | 1,986,731 | 66,836,154 | (3,156,683) | 63,679,471 | 4.15 | 63,517,201 |

**Note:**

Equalized value is the State of Wisconsin's estimated value of property in a defined jurisdiction and is used to apportion County property tax levies among municipalities. Each municipality assesses their own property values which are sent to the State of Wisconsin on the Statement of Assessment form.

**Sources:**

(a) Wisconsin Department of Revenue - Reports - Equalized Value - Statement of Changes in Equalized Value.
(b) Wisconsin Department of Revenue - Reports - Equalized Value - Report Used for Apportionment of County Levy.
(c) Wisconsin Department of Revenue - Reports - Assessments - Statement of Assessments.

# COUNTY OF MILWAUKEE, WISCONSIN

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

| Tax Levy Year | Tax Budget Year | Equalized Value | Less: Tax Incremental District | Taxable Equalized Value | Property Taxes Operating Levy | Property Taxes Debt Levy | Property Taxes Total Levy | Property Taxes Operating Rate | Property Taxes Debt Rate | Property Taxes Total Direct Rate |
|---|---|---|---|---|---|---|---|---|---|---|
| | | (a) | (b) | (b) | (c) | (c) | (c) | (c) | (c) | (c) |
| **2018** | **2019** | $ 64,065,616 | $ (3,872,098) | $ 60,193,518 | $ 260,847 | $ 34,333 | $ 295,180 | $ 4.33 | $ 0.57 | $ 4.90 |
| **2017** | **2018** | 61,413,297 | (3,295,500) | 58,117,797 | 262,954 | 30,672 | 293,626 | 4.52 | 0.53 | 5.05 |
| **2016** | **2017** | 60,292,560 | (3,018,194) | 57,274,366 | 258,262 | 33,616 | 291,878 | 4.51 | 0.59 | 5.10 |
| **2015** | **2016** | 58,553,179 | (2,491,590) | 56,061,589 | 258,346 | 29,450 | 287,795 | 4.61 | 0.53 | 5.14 |
| **2014** | **2015** | 58,253,923 | (2,600,473) | 55,653,450 | 249,844 | 33,957 | 283,799 | 4.49 | 0.61 | 5.10 |
| **2013** | **2014** | 57,127,525 | (2,518,176) | 54,609,349 | 237,940 | 42,190 | 280,130 | 4.36 | 0.77 | 5.13 |
| **2012** | **2013** | 57,782,302 | (2,252,219) | 55,530,083 | 228,571 | 51,563 | 280,134 | 4.12 | 0.93 | 5.05 |
| **2011** | **2012** | 61,099,029 | (2,547,465) | 58,551,564 | 219,641 | 56,553 | 276,194 | 3.75 | 0.97 | 4.72 |
| **2010** | **2011** | 63,403,510 | (2,673,043) | 60,730,467 | 217,126 | 53,260 | 270,386 | 3.58 | 0.88 | 4.46 |
| **2009** | **2010** | 66,836,154 | (3,156,683) | 63,679,471 | 203,821 | 60,281 | 264,102 | 3.20 | 0.95 | 4.15 |

**Note:**

In November, the Certification of Apportionment of State and County Property Taxes and Charges is filed with the Wisconsin Department of Revenue. This certification provides the State's and County's levies for each of the municipalities. The Property Taxes Total Levy includes State Charitable and Penal Charges as well as Southeastern Wisconsin Regional Planning Commission (SEWPC) charges. The property tax rates are based on the Taxable Equalized Value. The property tax rates do not include State Forestry charges which are based on the Equalized Value. The Property Taxes Total Levy amount may vary slightly from the actual tax levy amount billed in December of the tax levy year.

**Sources:**

(a) Wisconsin Department of Revenue - Reports - Equalized Value - Statement of Changes in Equalized Value.
(b) Wisconsin Department of Revenue - Reports - Equalized Value - Report Used for Apportionment of County Levy.
(c) Wisconsin Department of Revenue - Reports - Property Tax - Rates - County Property Tax Rates.

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | Taxable Equalized Value | Taxable Equalized Value % | Gross Rates | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (a) | (a) | (b) | | | | | | | | | |
| **Tax Levy Year** | **2018** | **2018** | **2018** | **2017** | **2016** | **2015** | **2014** | **2013** | **2012** | **2011** | **2010** | **2009** |
| **Tax Budget Year** | **2019** | **2019** | **2019** | **2018** | **2017** | **2016** | **2015** | **2014** | **2013** | **2012** | **2011** | **2010** |
| **Milwaukee County** | **$ 60,193,518** | **100.00 %** | **$ 26.55** | **27.69** | **26.13** | **28.64** | **28.53** | **29.64** | **29.15** | **27.31** | **26.20** | **24.76** |
| **Villages** | | | | | | | | | | | | |
| Bayside (1) | 635,573 | 1.06 % | 27.01 | 27.12 | 25.56 | 28.27 | 28.40 | 29.59 | 28.89 | 26.84 | 26.31 | 25.07 |
| Brown Deer | 936,335 | 1.56 % | 30.33 | 31.26 | 29.81 | 33.35 | 31.70 | 33.00 | 31.86 | 29.67 | 28.23 | 26.91 |
| Fox Point (1) | 1,141,765 | 1.90 % | 26.56 | 26.65 | 25.05 | 27.87 | 27.74 | 29.16 | 28.46 | 26.64 | 26.22 | 24.72 |
| Greendale | 1,402,644 | 2.33 % | 25.14 | 26.49 | 25.18 | 27.51 | 27.77 | 29.64 | 28.45 | 28.15 | 27.17 | 25.48 |
| Hales Corners | 670,551 | 1.11 % | 25.67 | 26.19 | 24.48 | 26.33 | 27.04 | 27.23 | 27.00 | 25.30 | 25.67 | 23.91 |
| River Hills (1) | 456,346 | 0.76 % | 26.99 | 26.68 | 24.34 | 26.98 | 27.31 | 28.21 | 27.21 | 25.03 | 24.49 | 23.42 |
| Shorewood | 1,560,876 | 2.59 % | 29.06 | 29.52 | 27.74 | 29.97 | 30.07 | 31.02 | 32.08 | 29.13 | 28.40 | 26.24 |
| West Milwaukee | 287,271 | 0.48 % | 31.76 | 33.70 | 30.65 | 32.32 | 31.07 | 32.22 | 32.15 | 31.80 | 30.57 | 28.59 |
| Whitefish Bay | 2,239,715 | 3.72 % | 22.72 | 23.41 | 21.99 | 24.24 | 24.34 | 25.80 | 25.56 | 24.51 | 24.14 | 22.32 |
| **Total Villages** | **$ 9,331,076** | **15.50 %** | **$ 26.45** | **27.07** | **25.45** | **27.92** | **27.88** | **29.15** | **28.74** | **27.15** | **26.52** | **24.86** |
| **Cities** | | | | | | | | | | | | |
| Cudahy | 960,826 | 1.60 % | 28.59 | 29.00 | 28.21 | 30.33 | 27.44 | 28.99 | 27.66 | 26.77 | 27.09 | 25.40 |
| Franklin (2) | 3,924,067 | 6.52 % | 23.94 | 24.53 | 23.31 | 25.86 | 25.77 | 27.38 | 26.44 | 24.89 | 25.45 | 23.58 |
| Glendale (1) | 1,822,552 | 3.03 % | 26.11 | 27.38 | 25.94 | 27.89 | 27.87 | 28.43 | 28.65 | 26.14 | 24.12 | 23.28 |
| Greenfield (1) | 2,867,349 | 4.76 % | 26.96 | 27.76 | 25.95 | 27.97 | 27.76 | 28.52 | 28.80 | 26.41 | 26.33 | 24.72 |
| Milwaukee | 26,518,739 | 44.06 % | 27.86 | 29.53 | 27.57 | 30.71 | 30.59 | 31.27 | 30.59 | 28.67 | 26.96 | 25.64 |
| Oak Creek | 3,284,231 | 5.46 % | 22.63 | 23.07 | 22.24 | 24.84 | 24.08 | 25.14 | 25.12 | 23.32 | 23.07 | 21.99 |
| St. Francis | 582,852 | 0.97 % | 30.35 | 30.62 | 30.10 | 29.42 | 30.47 | 31.26 | 29.39 | 27.82 | 26.99 | 24.52 |
| South Milwaukee | 1,173,650 | 1.95 % | 26.83 | 27.61 | 25.28 | 28.65 | 28.12 | 30.31 | 29.32 | 27.32 | 26.03 | 24.14 |
| Wauwatosa | 6,007,585 | 9.98 % | 22.67 | 23.07 | 22.98 | 23.98 | 24.34 | 26.67 | 26.44 | 24.18 | 23.43 | 22.20 |
| West Allis | 3,720,591 | 6.18 % | 28.56 | 30.36 | 27.42 | 28.88 | 28.89 | 30.10 | 30.12 | 28.96 | 27.50 | 25.62 |
| **Total Cities** | **$ 50,862,442** | **84.50 %** | **$ 26.57** | **27.81** | **26.25** | **28.77** | **28.64** | **29.72** | **29.22** | **27.33** | **26.14** | **24.75** |

**Notes:**

(1) Municipalities have multiple property tax rates depending upon which school district the property is located within.
(2) Municipality has multiple property tax rates depending upon which school district the property is located within and/or if sewer is included.

**Sources:**

(a) Wisconsin Department of Revenue - Governments - County Officials - Report Used for Apportionment of County Levy
(b) Wisconsin Department of Revenue - Reports - Property Tax - Rates - Town, Village and City Taxes

# COUNTY OF MILWAUKEE, WISCONSIN

Weighted Average of Property Taxes to Taxable Equalized Value
For the Year Ended December 31, 2018
(In Thousands)

| | 2018 Taxable Equalized Value | 2018 Property Tax after State Credit | 2018 Weighted Average |
|---|---|---|---|
| **Villages:** | | | |
| Bayside (1) | $ 635,573 | $ 15,729 | 0.00026131 |
| Brown Deer | 936,335 | 27,802 | 0.00046188 |
| Fox Point (1) | 1,141,765 | 27,630 | 0.00045902 |
| Greendale | 1,402,644 | 35,271 | 0.00058596 |
| Hales Corners | 670,551 | 16,092 | 0.00026734 |
| River Hills (1) | 456,346 | 11,219 | 0.00018638 |
| Shorewood | 1,560,876 | 45,927 | 0.00076299 |
| West Milwaukee | 287,271 | 11,344 | 0.00018846 |
| Whitefish Bay | 2,239,715 | 47,543 | 0.00078984 |
| **Total Villages** | **9,331,076** | **238,557** | **0.00396317** |
| **Cities:** | | | |
| Cudahy | 960,826 | 31,149 | 0.00051748 |
| Franklin (2) | 3,924,067 | 88,359 | 0.00146792 |
| Glendale (1) | 1,822,552 | 55,200 | 0.00091704 |
| Greenfield (1) | 2,867,349 | 74,682 | 0.00124070 |
| Milwaukee | 26,518,739 | 733,167 | 0.01218017 |
| Oak Creek | 3,284,231 | 73,734 | 0.00122495 |
| St. Francis | 582,852 | 17,088 | 0.00028388 |
| South Milwaukee | 1,173,650 | 30,806 | 0.00051178 |
| Wauwatosa | 6,007,585 | 134,883 | 0.00224082 |
| West Allis | 3,720,591 | 101,979 | 0.00169419 |
| **Total Cities** | **50,862,442** | **1,341,047** | **0.02227893** |
| **Milwaukee County** | **$ 60,193,518** | **$ 1,579,604** | **0.02624209** |

**Notes:**

(1) Municipalities have multiple property tax rates depending upon which school district the property is located within.
(2) Municipality has multiple property tax rates depending upon which school district the property is located within and/or if sewer is included.

**Source:**

Wisconsin Department of Revenue - Reports - Property Tax - Rates - Town, Village and City Taxes

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | | | | | 2009 | | |
|---|---|---|---|---|---|---|---|
| **Company** | **Type of Business** | **Rank** | **Full Market Value** | **Percent of Total Equalized Value** | **Rank** | **Full Market Value** | **Percent of Total Equalized Value** |
| Northwestern Mutual Life Insurance Co | Insurance | 1 | $ 575,134 | 0.90 % | 1 | $ 348,466 | 0.52 % |
| Mayfair Property Inc | Shopping Mall | 2 | 502,168 | 0.78 % | 3 | 290,293 | 0.43 % |
| Bayshore Town Center LLC | Real Estate | 3 | 356,477 | 0.56 % | 2 | 345,365 | 0.52 % |
| US Bank Corporation | Banking | 4 | 242,365 | 0.38 % | 4 | 272,627 | 0.41 % |
| Mandel Group | Real Estate | 5 | 235,267 | 0.37 % | | | |
| Aurora Health | Health Care | 6 | 178,227 | 0.28 % | | - | |
| Southridge Mall LLC | Real Estate | 7 | 147,444 | 0.23 % | 6 | 138,389 | 0.21 % |
| Metropolitan Associates | Real Estate | 8 | 143,807 | 0.22 % | 5 | 143,607 | 0.21 % |
| Wal-Mart/Sam's Club | Retailer | 9 | 141,591 | 0.22 % | | | |
| Juneau Village/Prospect Tower/Katz | Retailer | 10 | 125,520 | 0.20 % | | - | |
| 411 East Wisconsin-Middleton Milwaukee LLC | Real Estate | 11 | 117,845 | 0.18 % | 13 | 97,271 | 0.15 % |
| Burleigh/Mayfair LLC | Shopping Mall | 12 | 114,551 | 0.18 % | | | |
| Jackson Street Holdings | Hotels | 13 | 112,881 | 0.18 % | | - | |
| Marcus Corp/Milw City Center/Pfister | Hotels, Theaters | 14 | 110,421 | 0.17 % | 7 | 132,330 | 0.20 % |
| Wheaton Franciscan Healthcare | Health Care | 15 | 109,455 | 0.17 % | 8 | 115,589 | 0.17 % |
| Columbia St. Mary's | Health Care | | | | 9 | 112,188 | 0.17 % |
| Harley-Davidson | Manufacturer | | | | 10 | 111,802 | 0.17 % |
| M&I Marshall & Ilsley Bank | Banking | | | | 11 | 107,337 | 0.16 % |
| Towne Realty | Real Estate | | | | 12 | 101,910 | 0.15 % |
| Crichton-Hauck/Shoreline/Juneau Village | Real Estate | | | | 14 | 96,445 | 0.14 % |
| Centerpoint Properties | Real Estate | | | | 15 | 78,781 | 0.12 % |
| Total Milwaukee County Equalized Value | | | $ 64,065,616 | 100.00 % | | $66,836,154 | 100.00 % |

**Sources:**

Wisconsin Department of Revenue

# COUNTY OF MILWAUKEE, WISCONSIN

Outstanding Debt by Type
Last Ten Years Ended December 31
(In Thousands)

| | Governmental Activities | | Business-type Activities | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year | General Obligation Bonds | Capital Leases | General Obligation Bonds | Revenue Bonds | Capital Leases | Total Primary Government | Total Personal Income (a) | Percentage of Personal Income | Population (b) | Debt Per Capita |
| 2018 | $ 540,658 | $ 1,298 | $ 32,497 | $ 170,144 | $ 326 | $ 744,923 | Info not available | at print time | 950 | $ 0.78 |
| 2017 | 576,821 | 1,999 | 35,231 | 182,575 | 626 | 797,252 | $ 42,937,677 | 1.86 % | 945 | 0.84 |
| 2016 | 615,916 | 3,151 | 37,580 | 194,679 | 935 | 852,261 | 41,268,719 | 2.07 % | 949 | 0.90 |
| 2015 | 639,952 | 4,262 | 27,488 | 207,986 | 694 | 880,382 | 41,201,661 | 2.14 % | 950 | 0.93 |
| 2014 | 665,313 | 5,282 | 25,001 | 221,036 | 436 | 917,068 | 39,697,233 | 2.31 % | 950 | 0.97 |
| 2013* | 699,153 | 6,053 | 28,558 | 230,481 | 245 | 964,490 | 39,213,035 | 2.46 % | 950 | 1.02 |
| 2012 | 720,066 | 5,856 | 29,213 | 190,887 | 385 | 946,407 | 38,808,170 | 2.44 % | 948 | 1.00 |
| 2011 | 786,394 | 5,593 | 32,315 | 199,884 | 534 | 1,024,720 | 37,496,095 | 2.73 % | 948 | 1.08 |
| 2010 | 849,805 | 4,774 | 35,374 | 208,588 | 390 | 1,098,931 | 36,453,170 | 3.01 % | 948 | 1.16 |
| 2009 | 836,667 | 4,077 | 29,880 | 183,630 | 381 | 1,054,635 | 36,219,621 | 2.91 % | 932 | 1.13 |

**Note:**

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

**Sources:**

(a) U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Income Division, Local Area Personal Income and Employment, CA04 - Personal Income and Employment Summary Report.
(b) State of Wisconsin - Department of Administration - Intergovernmental Relations - per Milwaukee County final population preliminary estimates.

# COUNTY OF MILWAUKEE, WISCONSIN

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

| Year | Population (a) | Equalized Value (b) | Governmental General Obligation Bonded Debt | Business-type General Obligation Bonded Debt | Total General Obligation Bonded Debt | Less: Restricted for Debt Service | Net General Obligation ("Net GO") Bonded Debt | Percent of Net GO Bonded Debt to Equalized Value | Net GO Bonded Debt Per Capita |
|---|---|---|---|---|---|---|---|---|---|
| 2018 | 950 | $ 64,065,616 | $ 540,658 | $ 32,497 | $ 573,155 | $ (47,782) | $ 525,373 | 0.82% | $ 0.55 |
| 2017 | 945 | 61,413,297 | 576,821 | 35,231 | 612,052 | (40,739) | 571,313 | 0.93% | 0.60 |
| 2016 | 949 | 60,292,560 | 615,916 | 37,580 | 653,496 | (44,481) | 609,015 | 1.01% | 0.64 |
| 2015 | 950 | 58,553,179 | 639,952 | 27,488 | 667,440 | (47,176) | 620,264 | 1.06% | 0.65 |
| 2014 | 950 | 58,253,923 | 665,313 | 25,001 | 690,314 | (40,238) | 650,076 | 1.12% | 0.68 |
| 2013 | 950 | 57,127,525 | 699,153 | 28,558 | 727,711 | (34,964) | 692,747 | 1.21% | 0.73 |
| 2012 | 948 | 57,782,302 | 720,066 | 29,213 | 749,279 | (27,063) | 722,216 | 1.25% | 0.76 |
| 2011 | 948 | 61,099,029 | 786,394 | 32,315 | 818,709 | (11,577) | 807,132 | 1.32% | 0.85 |
| 2010 | 948 | 63,403,510 | 849,805 | 35,374 | 885,179 | (7,332) | 877,847 | 1.38% | 0.93 |
| 2009 | 932 | 66,836,154 | 836,667 | 29,880 | 866,547 | (6,220) | 860,327 | 1.29% | 0.92 |

**Sources:**

(a) State of Wisconsin - Department of Administration - Intergovernmental Relations - per Milwaukee County final population preliminary estimates.
(b) Wisconsin Department of Revenue - Reports - Equalized Value - Statement of Changes in Equalized Value.

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|
| Equalized Value of Taxable Property (1) | $ 64,065,616 | $ 61,413,297 | $ 60,292,560 | $ 58,553,179 | $ 58,253,923 |
| Debt Limit Rate - (statutory limitation) (2) | 5 % | 5 % | 5 % | 5 % | 5 % |
| Statutory Debt Limit | 3,203,281 | 3,070,665 | 3,014,628 | 2,927,659 | 2,912,696 |
| Bonds and Notes Outstanding: | | | | | |
| General Obligation Bonds and Notes | 573,155 | 612,052 | 653,496 | 667,440 | 690,314 |
| Less: Amount Available in Debt Service Fund | (47,782) | (40,739) | (44,481) | (47,176) | (40,238) |
| Total Net Debt Applied to Debt Limit | 525,373 | 571,313 | 609,015 | 620,264 | 650,076 |
| **Legal Debt Margin Remaining at 12/31** | **$ 2,677,908** | **$ 2,499,352** | **$ 2,405,613** | **$ 2,307,395** | **$ 2,262,620** |
| Total Net Debt Applied to Debt Limit as a percentage of the Statutory Debt Limit | 16.4 % | 18.6 % | 20.2 % | 21.2 % | 22.3 % |

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|
| Equalized Value of Taxable Property (1) | $ 57,127,525 | $ 57,782,302 | $ 61,099,029 | $ 63,403,510 | $ 66,836,154 |
| Debt Limit Rate - (statutory limitation) (2) | 5 % | 5 % | 5 % | 5 % | 5 % |
| Statutory Debt Limit | 2,856,376 | 2,889,115 | 3,054,951 | 3,170,176 | 3,341,808 |
| Bonds and Notes Outstanding: | | | | | |
| General Obligation Bonds and Notes | 727,711 | 749,279 | 818,709 | 885,179 | 866,547 |
| Less: Amount Available in Debt Service Fund | (34,964) | (27,063) | (11,577) | (7,332) | (6,220) |
| Total Net Debt Applied to Debt Limit | 692,747 | 722,216 | 807,132 | 877,847 | 860,327 |
| **Legal Debt Margin Remaining at 12/31** | **$ 2,163,629** | **$ 2,166,899** | **$ 2,247,819** | **$ 2,292,329** | **$ 2,481,481** |
| Total Net Debt Applied to Debt Limit as a percentage of the Statutory Debt Limit | 24.3 % | 25.0 % | 26.4 % | 27.7 % | 25.7 % |

**Sources:**

(1) Wisconsin Department of Revenue, Reports, Municipal Debt Limit.
(2) Wisconsin State Statute 67.03

# COUNTY OF MILWAUKEE, WISCONSIN

Direct and Overlapping Bonded Debt & Capital Leases
For the Year Ended December 31, 2018
(In Thousands)

| | Net Debt Outstanding | Percent Applicable to County | Amount Applicable to County |
|---|---|---|---|
| **Direct:** | | | |
| Milwaukee County - Net Debt Outstanding | $ 540,658 | 100.00 % | $ 540,658 |
| Milwaukee County - Net Capital Leases | 1,298 | 100.00 % | 1,298 |
| **Total Direct Debt - Milwaukee County** | **$ 541,956** | **100.00 %** | **$ 541,956** |
| (Governmental-activities only) | | | |

| **Overlapping:** | Net Debt Outstanding | Percent Applicable within County | Amount Applicable within County |
|---|---|---|---|
| **Villages:** | | | |
| Bayside | $ 11,213 | 96.00 % | $ 10,764 |
| Brown Deer | 19,790 | 100.00 % | 19,790 |
| Fox Point | 9,716 | 100.00 % | 9,716 |
| Greendale | 24,480 | 100.00 % | 24,480 |
| Hales Corners | 10,460 | 100.00 % | 10,460 |
| River Hills | 3,690 | 100.00 % | 3,690 |
| Shorewood | 53,421 | 100.00 % | 53,421 |
| West Milwaukee | 12,385 | 100.00 % | 12,385 |
| Whitefish Bay | 51,080 | 100.00 % | 51,080 |
| **Cities:** | | | |
| Cudahy | 24,510 | 100.00 % | 24,510 |
| Franklin | 26,400 | 100.00 % | 26,400 |
| Glendale | 39,945 | 100.00 % | 39,945 |
| Greenfield | 80,335 | 100.00 % | 80,335 |
| Milwaukee | 962,476 | 100.00 % | 962,476 |
| Oak Creek | 98,490 | 100.00 % | 98,490 |
| South Milwaukee | 28,950 | 100.00 % | 28,950 |
| St. Francis | 12,897 | 100.00 % | 12,897 |
| Wauwatosa | 121,875 | 100.00 % | 121,875 |
| West Allis | 73,256 | 100.00 % | 73,256 |
| **Subtotal Overlapping** | **1,665,369** | | **1,664,920** |

| **Overlapping:** | Net Debt Outstanding | Percent Applicable within County | Amount Applicable within County |
|---|---|---|---|
| **School Districts:** | | | |
| Brown Deer | $ 46,646 | 100.00 % | $ 46,646 |
| Cudahy | 21,988 | 100.00 % | 21,988 |
| Fox Point / Bayside | 2,865 | 97.91 % | 2,805 |
| Franklin | 66,180 | 100.00 % | 66,180 |
| Glendale / River Hills | 1,862 | 100.00 % | 1,862 |
| Greendale | 15,235 | 100.00 % | 15,235 |
| Greenfield | 55,781 | 100.00 % | 55,781 |
| Maple Dale / Indian Hill | 2,308 | 100.00 % | 2,308 |
| Milwaukee Area Technical College | 103,545 | 80.16 % | 83,002 |
| Milwaukee Public | 72,148 | 99.99 % | 72,144 |
| Nicolet High School | 5,135 | 99.42 % | 5,105 |
| Oak Creek / Franklin | 104,800 | 100.00 % | 104,800 |
| St. Francis | 11,965 | 100.00 % | 11,965 |
| Shorewood | 14,185 | 100.00 % | 14,185 |
| South Milwaukee | 25,170 | 100.00 % | 25,170 |
| Wauwatosa | - | 0.00 % | - |
| West Allis / West Milwaukee | 48,520 | 92.78 % | 45,018 |
| Whitefish Bay | 10,605 | 100.00 % | 10,605 |
| Whitnall | 10,063 | 100.00 % | 10,063 |
| **Metropolitan Sewerage District** | 815,624 | 99.93 % | 815,064 |
| **Subtotal Overlapping** | **1,434,625** | | **1,409,926** |
| **Total Overlapping Debt** | **3,099,994** | **99.19 %** | **3,074,846** |
| **Total Debt** | **$ 3,641,950** | **99.31 %** | **$ 3,616,802** |

**Source:**

Milwaukee County Comptrollers Office - Capital Section

# COUNTY OF MILWAUKEE, WISCONSIN

Demographic and Economic Statistics
For the Year Ended December 31

| Year | Population (a) | Total Personal Income (in thousands) (b) | Per Capita Personal Income (b) | Public School Enrollment (c) | Private School Enrollment (c) | Unemployment Rate County (d) | Unemployment Rate Wisconsin (d) | Unemployment Rate United States (d) | Total County Labor Force (d) | Total Unemployed Workers in County (d) |
|---|---|---|---|---|---|---|---|---|---|---|
| 2018 | 950,381 | Info not available at print time | | 135,205 | 41,454 | 3.6% | 3.0% | 3.9% | 472,701 | 17,157 |
| 2017 | 945,416 | $ 42,937,677 | $ 45,099 | 136,672 | 41,145 | 4.0% | 3.3% | 4.4% | 478,333 | 19,351 |
| 2016 | 948,930 | 41,673,765 | 43,621 | 138,460 | 41,017 | 5.0% | 4.0% | 4.9% | 478,435 | 23,735 |
| 2015 | 949,795 | 41,509,614 | 43,291 | 139,914 | 41,045 | 5.7% | 4.6% | 5.3% | 477,410 | 27,436 |
| 2014 | 949,741 | 40,254,278 | 41,981 | 140,739 | 38,818 | 6.9% | 5.4% | 6.2% | 478,784 | 32,902 |
| 2013 | 950,410 | 38,916,688 | 40,633 | 139,533 | 40,415 | 8.4% | 6.7% | 7.4% | 479,059 | 40,217 |
| 2012 | 948,322 | 39,353,643 | 41,198 | 139,393 | 39,894 | 8.6% | 7.0% | 8.1% | 476,458 | 41,046 |
| 2011 | 948,369 | 37,523,119 | 39,426 | 140,704 | 39,408 | 9.3% | 7.8% | 8.9% | 477,600 | 44,336 |
| 2010 | 947,735 | 35,774,998 | 37,725 | 140,241 | 39,996 | 10.0% | 8.7% | 9.6% | 476,449 | 47,615 |
| 2009 | 931,830 | 35,060,889 | 37,193 | 141,942 | 39,795 | 9.4% | 8.6% | 9.3% | 467,652 | 44,154 |

**Sources:**

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

(b) The U.S. Dept of Commerce, Bureau of Economic Analysis, Regional Income Division, Local Area Personal Income and Employment, CA04 - Personal Income and Employment Summary Report.

(c) The Wisconsin Dept. of Public Instruction - Data - Demographics / Enrollment Reports. Enrollment is a headcount of students who are physically attending schools or receiving homebound instructions as of the third Friday in September.

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

# COUNTY OF MILWAUKEE, WISCONSIN

Principal Private Sector Employers
Current Year and Nine Years Ago

| | | 2018 | | | 2009 | | |
|---|---|---|---|---|---|---|---|
| | | | (a) | | | (b) | |
| **Private Sector Employers** | **Type of Business or Service** | **Rank** | **Number of Employees** | **% of Total County Employment** | **Rank** | **Number of Employees** | **% of Total County Employment** |
| Aurora Health Care Inc. | Health Care | 1 | 27,599 | 5.8 % | 1 | 21,570 | 4.61 % |
| Froedtert Health | Health Care | 2 | 11,820 | 2.5 % | | | |
| Ascension WI/Wheaton Franciscan Healthcare | Health Care | 3 | 8,656 | 1.8 % | 2 | 9,371 | 2.00 % |
| Roundy's Supermarkets Inc. | Retail Supermarkets | 4 | 7,581 | 1.6 % | 4 | 6,800 | 1.45 % |
| Quad/Graphics Inc | Commercial Printer | 5 | 7,500 | 1.6 % | 5 | 6,600 | 1.41 % |
| Kohl's Corporation | Retail Department Store | 6 | 7,000 | 1.5 % | 7 | 5,920 | 1.27 % |
| GE Healthcare | Medical Equipment Services | 7 | 6,000 | 1.3 % | 6 | 6,000 | 1.28 % |
| Medical College of Wisconsin | Medical School | 8 | 5,941 | 1.3 % | 10 | 4,833 | 1.03 % |
| Children's Hospital of Wisconsin | Health Care | 9 | 5,170 | 1.1 % | | | |
| Northwestern Mutual Life | Insurance | 10 | 5,000 | 1.1 % | 9 | 5,000 | 1.07 % |
| Wal-Mart Stores Inc. | Discount Retail Store | | | | 3 | 7,682 | 1.64 % |
| Columbia St. Mary's | Health Care | | | | 8 | 5,371 | 1.15 % |
| Total Employment within County of Milwaukee (c) | | | 472,701 | 100.0 % | | 467,652 | 100.0 % |

**Sources:**

(a) Milwaukee Business Journal, as of August 17, 2018.
(b) The Business Journal's Book of Lists 2009, December 25, 2009.
(c) WORKnet - Wisconsin- Data Analyst - Data Table - Local Area Unemployment Statistics (LAUS) Results.

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 1, 2-5 | 1 & 6 | 1, 7-12 | 1, 13-17 | 1 & 18 | 1, 19-23 | 1 & 24 | 1, 25-29 | 1, 30-33 |
| **Actual Number (Headcount) of Employees:** | | | | | | | | | | |
| Legislative, Executive and Staff | 348 | 339 | 350 | 324 | 350 | 374 | 371 | 251 | 254 | 296 |
| Courts and Judiciary | 403 | 405 | 410 | 425 | 414 | 431 | 411 | 408 | 427 | 423 |
| General Governmental Services | 110 | 113 | 114 | 110 | 109 | 102 | 87 | 50 | 63 | 56 |
| Public Safety | 1,250 | 1,233 | 1,241 | 1,259 | 1,175 | 1,253 | 1,265 | 1,409 | 1,430 | 1,507 |
| Public Works and Highways | 406 | 423 | 426 | 434 | 427 | 442 | 427 | 561 | 546 | 578 |
| Health and Human Services | 895 | 920 | 877 | 977 | 1,127 | 1,239 | 1,296 | 1,487 | 1,647 | 1,771 |
| Parks, Recreation and Culture | 571 | 563 | 628 | 599 | 574 | 551 | 533 | 563 | 643 | 587 |
| **Total Actual Number of Employees** | **3,983** | **3,996** | **4,046** | **4,128** | **4,176** | **4,392** | **4,390** | **4,729** | **5,010** | **5,218** |
| % Increase (Decrease) from Previous Year | (0.33)% | (1.24)% | (1.99)% | (1.15)% | (4.92)% | 0.05 % | (7.17)% | (5.61)% | (3.99)% | (3.66)% |
| **Budgeted Number (FTE) of Employees:** | | | | | | | | | | |
| **Legislative, Executive and Staff:** | | | | | | | | | | |
| County Board - Audit Department (22) | - | - | - | - | - | - | - | 16.0 | 18.0 | 19.0 |
| County Board (17) | 29.0 | 29.0 | 31.2 | 30.0 | 31.0 | 56.4 | 56.9 | 58.5 | 60.2 | 60.2 |
| County Executive - General Office | 6.6 | 9.0 | 9.3 | 9.0 | 9.0 | 9.5 | 9.5 | 9.0 | 10.0 | 10.6 |
| County Executive - Intergovernmental Relations (17) | 1.1 | 2.0 | 2.0 | 2.0 | 3.0 | - | - | - | - | - |
| County Executive - Veterans Service | 4.9 | 5.0 | 5.1 | 5.0 | 5.5 | 5.5 | 6.0 | 6.0 | 5.0 | 6.0 |
| Office on African American Affairs (4) | 5.9 | 4.0 | - | - | - | - | - | - | - | - |
| Corporation Counsel | 22.5 | 19.9 | 20.4 | 20.0 | 19.0 | 19.0 | 18.8 | 19.7 | 20.0 | 22.1 |
| DAS - Economic Development (12,21,33) | - | - | - | - | 8.0 | 8.0 | 9.0 | - | - | - |
| DAS - Facilities Management (12,19) | - | - | - | - | 176.7 | 163.9 | 154.5 | - | - | - |
| DAS - Fiscal Affairs (11,12,22) | - | - | - | - | 11.5 | 13.2 | 19.7 | 42.7 | 46.4 | 46.1 |
| DAS - General Fund (6,12) | 178.2 | 195.6 | 183.2 | 169.6 | - | - | - | - | - | - |
| DAS - Information Mgmt Services (9,29) | 45.1 | 46.0 | 44.6 | 44.9 | 52.9 | 58.9 | 58.0 | 61.3 | 62.6 | 81.3 |
| DAS - Office for Persons with Disabilities 12) | - | - | - | - | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 |
| DAS - Office of Community Business Development Partners (12) | - | - | - | - | 8.0 | 7.7 | 6.0 | 6.0 | 6.0 | 6.0 |
| DAS - Procurement (12) | - | - | - | - | 6.7 | 7.5 | 7.5 | 5.5 | 5.8 | 6.7 |
| DAS - Risk Management | 6.9 | 7.0 | 5.5 | 5.0 | 5.0 | 7.0 | 5.0 | 5.1 | 5.0 | 5.0 |
| Dept. of Human Resources (16,20) | 57.5 | 54.9 | 57.0 | 55.2 | 54.3 | 55.8 | 50.6 | - | - | - |
| Dept. of Labor Relations (16) | - | - | - | - | - | 3.0 | 3.5 | 2.8 | 3.4 | 4.4 |
| Employee Benefits (20) | - | - | - | - | - | - | - | 23.0 | 21.9 | 19.6 |
| Human Resources (20,28) | - | - | - | - | - | - | - | 14.2 | 13.5 | 30.6 |
| Civil Service Commission (10) | - | - | - | - | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Ethics Board (27) | - | - | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.6 | - |
| Personnel Review Board (10,27) | 12.8 | 13.0 | 12.4 | 12.2 | 7.2 | 7.3 | 7.3 | 7.3 | 6.9 | 7.4 |
| **Total Legislative, Executive and Staff** | **370.5** | **385.4** | **371.5** | **353.7** | **407.7** | **432.6** | **422.2** | **287.0** | **294.4** | **334.1** |

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 1, 2-5 | 1 & 6 | 1, 7-12 | 1, 13-17 | 1 & 18 | 1, 19-23 | 1 & 24 | 1, 25-29 | 1, 30-33 |
| **Budgeted Number (FTE) of Employees:** | | | | | | | | | | |
| **Courts and Judiciary:** | | | | | | | | | | |
| Combined Court Related Operations (23) | 278.9 | 284.1 | 306.7 | 289.2 | 288.8 | 284.2 | 285.8 | 284.9 | 280.6 | 277.4 |
| Department of Child Support | 144.5 | 147.0 | 148.1 | 148.8 | 150.5 | 140.7 | 137.8 | 150.5 | 133.3 | 130.5 |
| Courts - Pre-Trial Services (23) | 2.0 | 2.0 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | - | - | - |
| **Total Courts and Judiciary** | **425.4** | **433.1** | **456.8** | **439.0** | **440.3** | **425.9** | **424.6** | **435.4** | **413.9** | **407.9** |
| **General Governmental Services:** | | | | | | | | | | |
| Election Commission (3) | - | - | 8.6 | 8.1 | 6.5 | 6.7 | 7.4 | 6.5 | 8.0 | 6.6 |
| County Treasurer | 8.4 | 8.5 | 7.6 | 7.5 | 7.5 | 7.5 | 8.5 | 8.5 | 9.5 | 8.5 |
| County Clerk (3,17) | 19.6 | 21.5 | 12.2 | 12.0 | 12.0 | 7.0 | 7.0 | 7.1 | 7.1 | 6.6 |
| Register of Deeds | 29.0 | 31.0 | 30.8 | 30.0 | 31.9 | 32.9 | 34.9 | 35.7 | 35.8 | 42.6 |
| Office of the Comptroller (15,17,22) | 54.2 | 55.9 | 58.2 | 58.7 | 57.0 | 43.0 | 40.4 | - | - | - |
| **Total General Governmental Services** | **111.2** | **116.9** | **117.4** | **116.3** | **114.9** | **97.1** | **98.2** | **57.8** | **60.4** | **64.3** |
| **Public Safety:** | | | | | | | | | | |
| Office of the Sheriff (2,9,11,18,26) | 723.5 | 705.1 | 814.1 | 769.8 | 744.1 | 777.3 | 1,265.9 | 1,385.9 | 1,434.2 | 952.9 |
| House of Correction (8,18,26) | 394.6 | 402.3 | 409.9 | 386.6 | 452.2 | 482.7 | - | - | - | 486.0 |
| District Attorney (1) | 160.3 | 165.4 | 175.0 | 160.9 | 158.6 | 150.0 | 148.2 | 155.1 | 157.5 | 164.6 |
| Emergency Management (9) | 60.1 | 66.0 | 61.9 | 66.2 | - | - | - | - | - | - |
| Medical Examiner | 31.6 | 29.9 | 32.1 | 28.8 | 28.2 | 28.3 | 27.6 | 27.5 | 27.2 | 29.4 |
| **Total Public Safety** | **1,370.1** | **1,368.7** | **1,493.0** | **1,412.3** | **1,383.1** | **1,438.3** | **1,441.7** | **1,568.5** | **1,618.9** | **1,632.9** |
| **Public Works and Highways:** | | | | | | | | | | |
| Airports (19,30,32) | - | - | - | - | - | - | - | 271.7 | 275.7 | 269.8 |
| Transportation Service (19,31) | - | - | - | - | - | - | - | 14.5 | 11.8 | 12.1 |
| Architectural, Eng and Environ Svcs (19) | - | - | - | - | - | - | - | 35.2 | 36.4 | 37.6 |
| Highway Maintenance (19) | - | - | - | - | - | - | - | 125.1 | 125.6 | 135.7 |
| Fleet Management (19,30) | - | - | - | - | - | - | - | 34.6 | 38.0 | 43.3 |
| Facilities Management (19) | - | - | - | - | - | - | - | 85.0 | 133.1 | 150.1 |
| Director's Office (19,21,33) | - | - | - | - | - | - | - | 13.2 | 13.0 | 11.3 |
| **Total Public Works and Highways** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **579.3** | **633.6** | **659.9** |
| **Department of Transportation:** | | | | | | | | | | |
| Airports (19) | 290.1 | 284.3 | 289.7 | 284.3 | 288.3 | 289.1 | 290.5 | - | - | - |
| Highway Maintenance (19) | 131.0 | 135.6 | 148.4 | 138.4 | 135.3 | 136.6 | 128.1 | - | - | - |
| Fleet Management (19) | 33.9 | 34.3 | 35.3 | 35.1 | 34.1 | 34.1 | 35.0 | - | - | - |
| Director's Office (19) | 8.0 | 8.0 | 8.1 | 7.0 | 6.0 | 7.0 | 7.0 | - | - | - |
| **Total Department of Transportation** | **463.0** | **462.2** | **481.5** | **464.8** | **463.7** | **466.8** | **460.6** | **-** | **-** | **-** |

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 1, 2-5 | 1 & 6 | 1, 7-12 | 1, 13-17 | 1 & 18 | 1, 19-23 | 1 & 24 | 1, 25-29 | 1, 30-33 |
| **Budgeted Number (FTE) of Employees:** | | | | | | | | | | |
| **Health and Human Services:** | | | | | | | | | | |
| Behavioral Health Division (7,13,14,25) | 514.1 | 542.8 | 571.3 | 607.1 | 577.1 | 801.0 | 837.4 | 843.7 | 827.7 | 858.8 |
| County Health Programs (25) | - | - | - | - | - | - | - | - | - | 34.5 |
| Department on Aging (24) | 73.3 | 76.4 | 84.4 | 75.7 | 76.0 | 73.0 | 77.2 | 77.0 | 79.6 | 83.3 |
| Department of Family Care (6,24) | - | - | 72.7 | 73.2 | 72.2 | 64.6 | 64.4 | 79.1 | 90.1 | 91.4 |
| Department of Health and Human Services (7,9,14,33) | 329.1 | 315.1 | 300.9 | 293.1 | 448.8 | 315.6 | 313.8 | 663.1 | 672.1 | 682.3 |
| **Total Health and Human Services** | **916.5** | **934.3** | **1,029.3** | **1,049.1** | **1,174.1** | **1,254.2** | **1,292.8** | **1,662.9** | **1,669.5** | **1,750.3** |
| **Parks, Recreation and Culture:** | | | | | | | | | | |
| Parks Division | 459.6 | 439.2 | 381.8 | 371.3 | 363.6 | 391.1 | 431.3 | 487.2 | 509.5 | 547.5 |
| Zoological Department | 200.5 | 252.0 | 259.5 | 254.4 | 252.7 | 254.7 | 254.3 | 257.5 | 256.1 | 251.8 |
| University Extension | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| **Total Parks, Recreation and Culture** | **660.9** | **692.0** | **642.1** | **626.5** | **617.1** | **646.6** | **686.4** | **745.5** | **766.4** | **800.1** |
| **Totals - Budgeted - All Operating Departments** | **4,317.6** | **4,392.6** | **4,591.6** | **4,461.7** | **4,600.9** | **4,761.5** | **4,826.5** | **5,336.4** | **5,457.1** | **5,649.5** |
| % Increase (Decrease) from Previous Year | (1.71)% | (4.33)% | 2.91 % | (3.03)% | (3.37)% | (1.35)% | (9.56)% | (2.21)% | (3.41)% | (1.02)% |
| Actual Employees (Headcount) Under Budgeted (FTE) Employees | 334.6 | 396.6 | 545.6 | 333.7 | 424.9 | 369.5 | 436.5 | 607.4 | 447.1 | 431.5 |

**Department Notes:**

1. FTE Counts for the District Attorney include Deputy District Attorneys and Senior Assistant District Attorneys whose positions transferred to the State of Wisconsin on January 1, 1990 but chose to retain County pension benefits. The FTE counts are: 2018 - 2, 2017 - 4, 2016 - 5, 2015 - 6, 2014 - 6, 2013 - 7, 2012 - 7, 2011 - 8, 2010 - 12, and 2009 - 15.8.
2. The 2017 Budget did not eliminate positions in the Office of the Sheriff. The decrease is due to a reduction in overtime hours due to new hires and an anticipated reduction of command staff through attrition.
3. The 2017 Budget abolished the Election Commission and transferred the function to the County Clerk due to a change in State Statute.
4. The 2017 Budget created the Office on African American Affairs.
5. The 2017 Budget includes employees providing service to My Choice Family Care through a temporary Memorandum of Understanding.
6. The 2016 Budget includes employees who had previously worked for the Department of Family Care. These positions were abolished in September 2016 due to the privatization of My Choice Family Care ("MCFC") on August 31, 2016. MCFC reimburses the County for their costs.
7. The 2015 Budget returned the Community Services Branch, Alcohol and Other Drug Abuse program and Wraparound to the Behavioral Health Division from the Department of Health and Human Services.
8. The 2015 Budget abolished positions in the House of Corrections.

# COUNTY OF MILWAUKEE, WISCONSIN

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

**Department Notes (cont'd):**

9. The 2015 Budget created the Department of Emergency Management. Positions were transferred out of Dept. of Admin. Services - Information Management Services (Radio), Office of the Sheriff (Communications) and the Department of Health and Human Services (EMS).
10. The 2015 Budget merged the Civil Service Commission with the Personnel Review Board.
11. The 2015 Budget transferred the Courthouse Security function to the Office of the Sheriff from the Dept. of Admin. Services - Fiscal Affairs.
12. The 2015 Budget merged the General Fund divisions (Community Business Development Partners, Economic Development, Facilities Management, Fiscal Affairs, Persons with Disabilities and Procurement) of the Dept. of Admin. Services into a single agency.
13. The 2014 Budget abolished positions in the Behavioral Health Division due to the closing of the Center for Independence and Development.
14. The 2014 Budget transferred the Community Services Branch, Alcohol and Other Drug Abuse, Wraparound, and Emergency Medical Services to the Department of Health and Human Services from the Behavioral Health Division.
15. The 2014 Budget transferred all payroll positions from individual departments to the Office of the Comptroller.
16. The 2014 Budget merged the Dept. of Labor Relations with the Dept. of Human Resources.
17. The 2014 Budget contained several position changes to comply with 2013 Wisconsin Act 14 which provided a tax levy cap related to the structure and duties of the County Board. Positions were transferred to the newly created County Executive - Intergovernmental Relations, support positions were transferred to County Clerk, and Research Services positions were transferred to the Office of the Comptroller.
18. The 2013 Budget reestablished the House of Corrections separate from the Office of the Sheriff.
19. The 2012 Budget abolished Public Works and Highways and created the Department of Transportation. A Dept. of Admin. Services - Facilities Management was created by merging the Facilities Management and Architectural, Engineering and Environmental Services from the Department of Public Works and Highways. Transportation Services merged with Airport.
20. The 2012 Budget created the Department of Human Resources which was a merger of Employee Benefits and Human Resources.
21. The 2012 Budget reestablished the Dept. of Admin. Services - Economic Development and returned Real Estate Services and the Development Office from the Director's Office.
22. The 2012 Budget created the Office of the Comptroller to comply with 2011 Wisconsin Act 62 which required a separate, independent department with an elected Comptroller. Positions were transferred from County Board - Audit Department and Dept. of Admin. Services - Fiscal Affairs.
23. The 2012 Budget transferred a funded position to Courts - Pre-Trial Services from Combined Court Related Operations.
24. The 2011 Budget separated the Department of Family Care from the Department on Aging.
25. The 2010 Budget transferred the County Health Programs to the Behavioral Health Division.
26. The 2010 Budget consolidated the Office of the Sheriff and the House of Corrections; the consolidation started in 2009 when the Office of the Sheriff took over responsibility for the House of Corrections.
27. The 2010 Budget separated the Ethics Board and the Personnel Review Board.
28. The 2010 Budget transferred Human Resources field staff to the departments in which they worked.
29. The 2010 Budget abolished the mainframe functions positions in DAS-Information Management Services. These positions were outsourced to a private entity.
30. The 2009 Budget restructured the maintenance operations in Fleet Management. Positions were transferred to the Airport or were abolished.
31. The 2009 Budget continues the ongoing restructuring of Transportation Services by reducing positions.
32. The 2009 Budget included a major staffing change and additional positions were created for airfield safety and security as well as airfield maintenance.
33. The 2009 Budget dissolved the DAS-Economic Development and transferred the Block Grant Program to the Department of Health and Human Services (Housing), Real Estate Service and the Development Office to the Director's Office.

**Source**s:
County of Milwaukee, Wisconsin Payroll System
County of Milwaukee, Wisconsin Adopted Operating Budgets

# COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function
For the Last Ten Years Ended December 31

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **LEGISLATIVE, EXECUTIVE AND STAFF** | | | | | | | | | | |
| **Procurement:** | | | | | | | | | | |
| Purchase Orders | 4,784 | 4,686 | 2,958 | 1,890 | 2,008 | 1,789 | 1,623 | 1,404 | 1,824 | 1,457 |
| Formal bids | 48 | 54 | 89 | 18 | 22 | 17 | 6 | 35 | 33 | 83 |
| Informal Bids and Quotes | - | - | - | 14 | 24 | 28 | 40 | 32 | 44 | 270 |
| Requests for Proposals | 38 | 19 | 31 | 23 | 5 | 3 | 6 | - | 1 | 3 |
| General Awards | 3,510 | 2,353 | 2,313 | 1,432 | 1,499 | 1,364 | 1,245 | 1,340 | 991 | 1,101 |
| **Human Resources:** | | | | | | | | | | |
| Tuition Loans Processed | - | - | - | 14 | 29 | 35 | 52 | 46 | 63 | 57 |
| Tuition Reimbursement | 245 | 301 | - | - | - | - | - | - | - | - |
| On-Line Applications Processed | 30,006 | 23,049 | 19,982 | 21,581 | 27,526 | 18,935 | 14,982 | 26,461 | 26,356 | 40,000 |
| Job Requisitions Requested | 439 | 373 | 419 | 542 | 493 | 505 | 475 | 504 | 414 | 405 |
| Certification Requests Processed | 542 | 412 | 439 | 487 | 478 | 450 | 475 | 504 | 414 | 405 |
| Current Positions Studied for Proper Classification | 390 | 33 | 83 | 291 | 1,131 | 1,493 | 74 | 32 | 32 | 64 |
| New Positions Studied for Proper Classification | 34 | 99 | 19 | 75 | 15 | 38 | 52 | 31 | 25 | 9 |
| **COURTS AND JUDICIARY** | | | | | | | | | | |
| **Register in Probate:** | | | | | | | | | | |
| Civil Commitments - Adults | 1,503 | 1,516 | 1,761 | 2,474 | 3,003 | 3,700 | 4,659 | 5,280 | 5,673 | 5,419 |
| Civil Commitments - Juvenile | 591 | 685 | 687 | 985 | 1,008 | 982 | 1,157 | 1,121 | 972 | 639 |
| Guardianship / Conservatorship | 415 | 311 | 276 | 284 | 261 | 308 | 319 | 299 | 278 | 1,019 |
| Protective Placement | 335 | 373 | 363 | 334 | 324 | 294 | 226 | 326 | 290 | 287 |
| Annual Review of Protective Placement | 1,297 | 1,341 | 1,391 | 1,226 | 1,259 | 1,288 | 1,389 | 1,499 | 1,462 | 1,599 |
| Informal Administration | 1,011 | 974 | 897 | 964 | 879 | 990 | 931 | 975 | 1,092 | 1,068 |
| Formal Administration | 286 | 112 | 80 | 89 | 90 | 111 | 90 | 142 | 147 | 138 |
| Trusts | 20 | 22 | 29 | 68 | 29 | 46 | 30 | 27 | 39 | 36 |
| Special Administration, Summary Proceedings | 330 | 310 | 332 | 371 | 333 | 410 | 388 | 386 | 315 | 238 |
| Descent/Life Estate | 4 | 2 | 5 | - | - | - | 4 | 5 | 6 | 6 |
| Adult Adoption | 25 | 28 | 21 | 19 | 11 | 25 | 10 | 17 | 8 | 13 |
| Wills Deposited for Safekeeping | 79 | 123 | 125 | 67 | 85 | 165 | 75 | 83 | 150 | 90 |
| Temporary Guardianships | 91 | 157 | 159 | 103 | 82 | 62 | 53 | 69 | 63 | 13 |
| Ancillary Proceedings | 6 | 12 | 10 | 3 | 14 | 4 | 4 | - | 3 | 2 |
| **GENERAL GOVERNMENTAL SERVICES** | | | | | | | | | | |
| **Election Commission:** | | | | | | | | | | |
| Elections | 4 | 2 | 4 | 2 | 4 | 2 | 4 | 2 | 4 | 2 |
| Special Elections | 1 | 1 | - | 4 | 2 | 8 | - | 7 | 2 | 2 |
| Recount Elections | - | - | 1 | - | - | - | - | 1 | 2 | - |
| State/County/Municipal / School Board Referendums | 17 | 2 | 4 | 5 | 13 | 1 | 14 | 4 | 1 | 3 |
| Campaign Finance Statements | 145 | 90 | 144 | 101 | 97 | 150 | 199 | 194 | 182 | 160 |

# COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function
For the Last Ten Years Ended December 31

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Election Commission (cont'd)** | | | | | | | | | | |
| Nomination Papers Received | 35 | 1 | 36 | 3 | 7 | 8 | 45 | 13 | 11 | - |
| Election Ballot Set-up / Proofing | 4 | 3 | 4 | 4 | 4 | 8 | 6 | 5 | 6 | 4 |
| Challenges to Nomination Papers/Recall Petitions | - | - | 3 | - | - | - | 4 | - | - | - |
| Recall Elections / Petitions / Hearings | - | - | - | - | - | - | 2 | 2 | - | - |
| Elections Requiring Braille Ballots | 4 | 2 | 4 | 2 | 6 | 2 | 6 | 4 | 3 | 3 |
| Election Commission Meetings | 4 | 2 | - | 3 | 20 | 14 | 6 | 3 | 3 | 4 |
| **Treasurer:** | | | | | | | | | | |
| Checks Issued | 67,337 | 71,197 | 69,752 | 70,409 | 73,988 | 74,648 | 78,045 | 77,880 | 78,045 | 95,722 |
| Lost Checks/Stop Payments | 455 | 479 | 640 | 270 | 357 | 271 | 373 | 370 | 373 | 567 |
| Property Tax Receipts Issued | 4,804 | 6,493 | 6,611 | 5,415 | 6,662 | 7,143 | 7,348 | 6,401 | 7,348 | 6,758 |
| Delinquent Tax Notices Processed | 7,827 | 7,655 | 7,637 | 11,469 | 3,762 | 5,979 | 3,564 | 1,556 | 3,564 | 11,233 |
| Tax Forms Furnished | 320,750 | 351,150 | 190,000 | 331,500 | 280,200 | 439,516 | 901,850 | 589,724 | 901,850 | 726,466 |
| **Register of Deeds:** | | | | | | | | | | |
| With Transfer Fee | 16,705 | 16,435 | 15,855 | 14,021 | 12,842 | 12,806 | 10,563 | 9,123 | 10,134 | 12,063 |
| Without Transfer Fee | 8,764 | 9,228 | 9,028 | 7,643 | 7,686 | 8,370 | 8,491 | 8,096 | 7,845 | 7,968 |
| Total Transfer Fees | 12,767,806 | 11,759,852 | 10,706,366 | 9,584,634 | 7,622,493 | 7,146,392 | 6,743,946 | 5,035,715 | 5,556,137 | 6,455,932 |
| Average Real Estate Sale Price | 261,549 | 239,282 | 223,746 | 289,880 | 211,421 | 186,017 | 212,817 | 183,993 | 192,240 | 178,393 |
| Foreclosures (Lis Pendens) | 2,287 | 2,258 | 2,415 | 3,061 | 3,328 | 4,086 | 6,285 | 6,152 | 7,167 | 7,472 |
| Wisc Commerce Department Stipulations | - | 464 | 627 | 511 | 732 | 1,032 | 1,088 | 755 | 757 | 1,249 |
| Total Mortgages | 23,508 | 42,632 | 26,692 | 25,817 | 22,712 | 30,539 | 32,604 | 27,184 | 30,978 | 40,667 |
| Assignments | 7,030 | 7,228 | 6,480 | 6,891 | 6,851 | 10,207 | 11,656 | 7,649 | 8,015 | 9,781 |
| Partial Release | 505 | 592 | 438 | 686 | 559 | 518 | 562 | 1,263 | 780 | 889 |
| Release | 28,033 | 29,914 | 30,432 | 30,528 | 26,824 | 36,769 | 38,128 | 33,027 | 35,677 | 45,564 |
| Land Contracts | 161 | 167 | 181 | 207 | 172 | 210 | 170 | 185 | 122 | 138 |
| Sheriff Deeds | 1,097 | 1,209 | 1,445 | 1,702 | 2,257 | 3,037 | 3,457 | 3,168 | 3,053 | 2,879 |
| Joint Tenancy Survivorship | 1,510 | 1,395 | 1,412 | 1,511 | 1,528 | 1,508 | 1,534 | 1,452 | 1,431 | 1,518 |
| Federal Tax Liens | 1,456 | 1,472 | 1,536 | 1,648 | 1,700 | 1,697 | 1,988 | 2,628 | 3,225 | 2,674 |
| Financing Statements | 878 | 750 | 868 | 824 | 844 | 799 | 1,044 | 920 | 880 | 1,153 |
| Military Discharge | 3 | 8 | 12 | 21 | 14 | 16 | 24 | 18 | 40 | 7 |
| Electronic Recording | 73,592 | 75,192 | 73,439 | 67,957 | 56,033 | 66,256 | 67,107 | 48,745 | 43,816 | 41,938 |
| E-Docs % of Total Documents | 75.95 | 73.81 | 69.05 | 65.77 | 59.41 | 52.92 | 51.03 | 42.71 | 35.66 | 28.30 |
| Total Records | 97,437 | 104,358 | 107,410 | 105,305 | 98,929 | 125,206 | 131,502 | 114,141 | 123,084 | 148,186 |
| Births | 15,446 | 14,734 | 14,977 | 14,841 | 15,094 | 15,107 | 15,144 | 15,209 | 15,615 | 16,141 |
| Marriages | 4,592 | 4,652 | 4,779 | 4,983 | 4,880 | 4,377 | 4,454 | 4,641 | 4,247 | 4,236 |
| Domestic Partnerships | 16 | 41 | 30 | 7 | 50 | 46 | 55 | 56 | 67 | 201 |
| Deaths | 10,911 | 9,799 | 9,725 | 9,389 | 9,294 | 9,966 | 9,246 | 9,817 | 9,266 | 9,293 |
| Copies Issued - Paid | 74,949 | 74,733 | 98,662 | 95,209 | 97,047 | 98,758 | 94,690 | 91,399 | 91,564 | 86,307 |
| Copies issued - Free | 270 | 229 | 193 | 149 | 192 | 170 | 228 | 523 | 207 | 298 |
| Subdivision Plats No.1 | 5 | 1 | 1 | 1 | 28 | 1 | 2 | 3 | 1 | 2 |
| Subdivision Plats Lots | 90 | 73 | 12 | 12 | 18 | 6 | 16 | 45 | 7 | 29 |
| Condominium Plats No | 16 | 38 | 14 | 6 | 12 | 15 | 16 | 14 | 15 | 22 |
| Condominium Plats Units | 50 | 8 | 28 | 12 | 53 | 30 | 25 | 21 | 86 | 665 |
| Copies and Images - Revenue | 361,486 | 426,610 | 356,252 | 374,504 | 435,251 | 463,255 | 536,157 | 376,957 | 406,563 | 399,243 |

# COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function
For the Last Ten Years Ended December 31

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Register of Deeds (cont'd)** | | | | | | | | | | |
| Recorded Documents - Revenue | 1,461,015 | 1,565,195 | 1,614,800 | 1,592,285 | 1,512,955 | 1,903,590 | 1,996,870 | 1,730,490 | 1,541,419 | 1,535,486 |
| Vital Statistics - Revenue | 335,225 | 324,770 | 418,584 | 408,345 | 405,584 | 411,201 | 398,096 | 387,479 | 395,530 | 397,965 |
| County Share Transfer Fees - Revenues | 2,553,579 | 2,354,526 | 2,158,641 | 1,916,927 | 1,611,600 | 1,429,278 | 1,348,789 | 992,767 | 1,112,513 | 1,291,186 |
| **County Clerk:** | | | | | | | | | | |
| Marriage Licenses Issued | 4,912 | 5,175 | 5,355 | 5,306 | 5,295 | 4,684 | 4,842 | 4,618 | 4,607 | 4,652 |
| Domestic Partnerships Declarations Issued | 15 | 41 | 28 | 7 | 43 | 64 | 53 | 55 | 74 | 217 |
| Domestic Partnership Terminations Processed | 5 | 3 | 4 | 6 | 3 | 10 | 5 | 5 | 1 | - |
| Marriage License/Domestic Partnership Waivers | 369 | 412 | 360 | 435 | 643 | 354 | 334 | 276 | 255 | 207 |
| Duplicate Marriage License / Domestic Partnerships | 46 | 38 | 34 | 49 | 82 | 81 | 89 | 64 | 75 | 76 |
| Civil Marriage Ceremonies Performed | 1,424 | 1,498 | 1,380 | 1,331 | 1,490 | 1,093 | 1,076 | 1,000 | 1,012 | 954 |
| County Board Files Maintained | 737 | 848 | 743 | 795 | 954 | 962 | 1,018 | 875 | 472 | 482 |
| County Ordinances Published | 13 | 16 | 28 | 19 | 18 | 14 | 24 | 21 | 10 | 18 |
| County Board Proceedings Published | 13 | 14 | 12 | 15 | 13 | 15 | 12 | 15 | 1,128 | 1,084 |
| Contractor Lien Notices / Vendor Tax Levies Processed | 19 | 26 | 7 | 12 | 14 | 29 | 21 | 48 | 56 | 45 |
| Contractor Qualification Statements Approved | - | - | 38 | 89 | 107 | 93 | 125 | 127 | 117 | 107 |
| Claims Processed | 230 | 270 | 304 | 214 | 233 | 226 | 260 | 281 | 314 | 315 |
| Summons and Complaints Processed | 90 | 104 | 171 | 165 | 143 | 182 | 189 | 180 | 184 | 158 |
| Construction Bid Notices Processed | 85 | 93 | 97 | 93 | 94 | 89 | 112 | 84 | 104 | 86 |
| Legal Documents Assigned to Central Files | - | - | - | 58 | 14 | 55 | 50 | 111 | 93 | 51 |
| Lobbying Registrations Processed | 26 | 33 | 59 | 49 | 58 | 50 | 52 | 54 | 52 | 46 |
| Passport Applications Processed | 1,429 | 1,908 | 2,044 | 1,836 | 1,385 | 1,247 | 962 | 778 | 778 | 683 |
| Passport Photos Taken | 1,068 | 1,452 | 1,524 | 1,182 | 738 | 735 | 570 | 352 | 367 | 314 |
| Oaths of Office Administered | 55 | 55 | 48 | 52 | 67 | 145 | 146 | 67 | 65 | 49 |
| DNR Licenses Sold | 40 | 64 | 195 | 251 | 384 | 387 | 410 | 325 | 222 | 331 |
| Documents Notarized | 5,397 | 5,816 | 5,850 | 5,722 | 5,818 | 5,256 | 5,369 | 5,053 | 4,876 | 5,173 |
| Milwaukee County Transit System Tickets Sold | 1,209 | 2,136 | 2,767 | 1,746 | 1,514 | 2,063 | 3,419 | 3,545 | 3,880 | 2,512 |
| **Office of the Comptroller:** | | | | | | | | | | |
| Accounts Reconciled | 728 | 721 | 781 | 781 | 744 | 744 | 768 | 723 | 732 | 740 |
| **PUBLIC SAFETY** | | | | | | | | | | |
| **Medical Examiner:** | | | | | | | | | | |
| Autopsies | 1,736 | 1,458 | 1,399 | 1,348 | 1,318 | 1,294 | 1,280 | 1,158 | 1,056 | 1,050 |
| Death Certificates | 1,927 | 1,894 | 1,813 | 1,703 | 1,656 | 1,635 | 1,639 | 1,526 | 1,623 | 1,644 |
| Cremation Permits | 5,214 | 4,889 | 4,679 | 4,364 | 4,219 | 4,035 | 3,834 | 3,457 | 3,591 | 3,393 |

# COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function
For the Last Ten Years Ended December 31

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Medical Examiner (cont'd):** | | | | | | | | | | |
| Autopsy Referrals | 686 | 459 | 348 | 360 | 367 | 305 | 312 | 172 | 67 | - |
| Death Investigated | 7,512 | 7,003 | 6,675 | 6,266 | 6,089 | 5,975 | 5,098 | 5,389 | 5,380 | 5,181 |
| **District Attorney:** | | | | | | | | | | |
| Felony Cases Filed | 5,718 | 5,680 | 5,532 | 5,514 | 5,550 | 5,695 | 6,140 | 6,109 | 6,194 | 5,845 |
| Misdemeanor Cases Filed | 4,172 | 4,437 | 4,078 | 4,489 | 5,179 | 5,510 | 6,713 | 762 | 7,590 | 6,646 |
| Criminal Traffic Cases Filed | 2,314 | 2,233 | 2,460 | 2,490 | 2,577 | 2,724 | 2,792 | 2,796 | 3,446 | 5,534 |
| CHIPS Cases Filed | 1,060 | 1,179 | 1,035 | 1,132 | 1,266 | 1,343 | 1,127 | 1,597 | 1,500 | 1,533 |
| Juvenile Delinquency Cases Filed | 1,012 | 1,224 | 1,282 | 1,253 | 1,343 | 1,476 | 1,725 | 1,632 | 1,555 | 1,818 |
| Termination of Parental Rights Cases Filed | 226 | 312 | 380 | 359 | 266 | 346 | 278 | 312 | 281 | 346 |
| **Sheriff:** | | | | | | | | | | |
| Traffic Citations | 32,099 | 31,831 | 28,178 | 21,738 | 21,353 | 27,752 | 35,597 | 37,710 | 33,064 | 35,725 |
| Auto Accidents Reported and Investigated | 5,125 | 4,989 | 4,796 | 4,898 | 4,516 | 4,740 | 3,970 | 4,602 | 4,275 | 3,965 |
| Background Checks (Criminal Investigations Division) | 397 | 462 | 504 | 456 | 436 | 385 | 698 | 493 | 287 | 469 |
| Criminal Complaints Issued | 3,895 | 3,813 | 3,659 | 1,133 | 977 | 1,190 | 1,626 | 3,017 | 4,032 | 3,944 |
| Writs of Restitution (Evictions) | 3,927 | 3,887 | 3,733 | 3,674 | 3,773 | 3,174 | 3,261 | 3,078 | 2,821 | 2,807 |
| Writs of Assistance (Foreclosures) | 293 | 285 | 373 | 509 | 706 | 899 | 947 | 792 | 736 | 806 |
| Temporary Restraining Orders Received | 5,013 | 4,912 | 4,613 | 4,580 | 4,402 | 4,557 | 4,649 | 5,216 | 5,651 | 5,536 |
| 911 Phone Calls | 93,835 | 92,888 | 100,198 | 105,716 | 111,221 | 215,283 | 323,903 | 378,196 | 551,280 | 539,509 |
| Bookings | 31,245 | 31,939 | 31,221 | 33,500 | 32,302 | 34,541 | 37,225 | 42,617 | 39,887 | 38,426 |
| Number of Bailiff Posts | 98 | 99 | 90 | 74 | 78 | 81 | 84 | 79 | 79 | 78 |
| Open Records Requests | 3,615 | 3,797 | 3,185 | 2,912 | 5,717 | 5,544 | 7,052 | 7,333 | 3,347 | 4,333 |
| Civil Process Papers Served | 14,107 | 13,624 | 13,848 | 14,264 | 18,278 | 20,107 | 21,437 | 21,592 | 22,418 | 22,851 |
| **House of Correction:** | | | | | | | | | | |
| Avg Daily Population - Milwaukee County Jail Overflow | 517 | 411 | 434 | 455 | 461 | 575 | 409 | 401 | 696 | 889 |
| Huber/Work Release Inmates | 120 | 290 | 190 | 198 | 203 | 794 | 202 | 177 | 172 | 504 |
| Probation and Parolees | - | 69 | 72 | 67 | 103 | 269 | 129 | 98 | 118 | 132 |
| Municipal Commitments (Ave Daily Number) | 15 | 39 | 42 | 41 | 38 | 208 | 26 | 40 | 64 | 67 |
| Sentenced Inmates | 654 | 663 | 778 | 884 | 876 | 984 | 1,102 | 964 | 1,004 | 579 |
| County Correctional Facility Central | 922 | 934 | 965 | 945 | 935 | 881 | 817 | 874 | 909 | 898 |
| Total Inmate Population (can be in more than one category above) | 2,220 | 2,137 | 2,293 | 2,352 | 2,274 | 2,505 | 2,516 | 2,554 | 2,963 | 3,069 |
| Electronic Surveillance | 107 | 108 | 122 | 135 | 177 | 208 | 26 | 185 | 198 | 223 |
| **PUBLIC WORKS AND HIGHWAYS** | | | | | | | | | | |
| County Trunk Highways Maintained (Lane Miles) | 303 | 397 | 399 | 403 | 403 | 343 | 343 | 343 | 343 | 343 |
| State Trunk Highways Maintained (Lane Miles) | 719 | 785 | 785 | 785 | 779 | 772 | 639 | 639 | 635 | 664 |

# COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function
For the Last Ten Years Ended December 31

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **PUBLIC WORKS AND HIGHWAYS** | | | | | | | | | | |
| Expressways Maintained (Lane Miles) | 1,240 | 1,129 | 1,126 | 1,112 | 1,109 | 1,104 | 1,116 | 1,116 | 1,150 | 1,141 |
| **HEALTH AND HUMAN SERVICES** | | | | | | | | | | |
| **Emergency Medical System:** | | | | | | | | | | |
| Dispatches | 77,915 | 71,962 | 78,936 | 75,585 | 65,105 | 62,291 | 54,478 | 52,087 | 49,491 | 45,920 |
| Doctor Calls | 1,011 | 1,214 | 1,420 | 1,380 | 1,364 | 1,656 | 1,325 | 1,235 | 1,398 | 1,320 |
| Medical Transports | 24,287 | 24,496 | 26,753 | 28,053 | 27,080 | 26,310 | 25,344 | 22,743 | 21,073 | 20,577 |
| Reports | 44,208 | 41,078 | 45,806 | 46,167 | 43,041 | 41,012 | 39,788 | 33,720 | 31,814 | 30,756 |
| **Aging Programs and Services:** | | | | | | | | | | |
| **Senior Meals Program:** | | | | | | | | | | |
| Congregate | 233,007 | 242,167 | 256,384 | 252,274 | 264,536 | 281,763 | 289,059 | 264,144 | 325,354 | 346,811 |
| Home Delivered | 366,205 | 369,071 | 356,529 | 344,956 | 308,288 | 313,243 | 308,070 | 251,254 | 248,838 | 259,151 |
| Volunteer Hours | 46,142 | 47,452 | 49,520 | 50,469 | 54,180 | 60,303 | 66,270 | 65,958 | 74,409 | 74,631 |
| Specialized Transportation Services One-Way Rides | 92,729 | 89,910 | 103,462 | 110,204 | 118,943 | 122,765 | 120,379 | 119,378 | 123,222 | 125,297 |
| Participants - Senior Centers / Senior Home Delivery | 6,751 | 6,569 | 6,045 | 6,493 | 6,695 | 8,960 | 9,103 | 8,449 | 6,610 | 6,740 |
| Participants - Wellness Works Program | 1,448 | 1,398 | 572 | 1,676 | 2,471 | 2,916 | 2,467 | 2,836 | 2,124 | 1,274 |
| Benefit Specialist / Legal Services (In Hours) | 7,061 | 11,885 | 10,945 | 9,295 | 10,461 | 9,385 | 13,695 | 13,389 | 13,058 | 14,256 |
| Employment Training and Placement Svcs (Hours) | 4,938 | 2,564 | 2,790 | 2,147 | 125 | 135 | 88 | 95 | 85 | 95 |
| Information and Assistance Contact Calls 24 Hours | 1,384 | 1,266 | 707 | 588 | 882 | 781 | 757 | 615 | 520 | 622 |
| Information Inquiries | 30,135 | 26,003 | 29,209 | 30,962 | 26,150 | 24,163 | 22,925 | 24,825 | 26,605 | 47,399 |
| Long Term Care Referrals / Applications Processed | 2,578 | 2,738 | 2,367 | 7,789 | 6,754 | 6,494 | 5,571 | 5,536 | 5,872 | 10,120 |
| Functional Screens Performed | 3,501 | 3,362 | 3,148 | 3,242 | 3,580 | 3,368 | 3,161 | 2,812 | 3,178 | 3,188 |
| **Care and Management Organization (CMO):** | | | | | | | | | | |
| Family Care New Enrollees | - | - | 1,320 | 1,691 | 1,780 | 1,812 | 1,447 | 1,510 | 1,895 | 1,616 |
| Family Care Continual Enrollees | - | - | 7,396 | 6,958 | 6,478 | 6,666 | 6,459 | 6,375 | 5,864 | 5,657 |
| Family Care Dis-enrolled Clients | - | - | 1,168 | 1,725 | 1,564 | 1,553 | 1,482 | 1,329 | 1,368 | 1,239 |
| **Economic Support Division:** | | | | | | | | | | |
| Interim Disability Assistance Program | 1,245 | 1,751 | 1,675 | 1,241 | 947 | 1,083 | 1,165 | 1,237 | 1,187 | 1,417 |
| Home Energy Assistance - Total households applied | 65,272 | 64,638 | 68,057 | 63,472 | 64,562 | 62,191 | 61,363 | 64,103 | 63,843 | 54,374 |
| Crisis Assistance - Total households applied | - | - | - | - | - | 21,440 | 20,836 | 17,482 | 22,137 | 19,564 |
| Crisis Assistance - Total households estimated | 12,606 | 12,441 | 12,524 | 21,580 | 21,951 | - | - | - | - | - |

# COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function
For the Last Ten Years Ended December 31

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Delinquency and Court Services Division:** | | | | | | | | | | |
| **Detention Center:** | | | | | | | | | | |
| Staffed Capacity of Juvenile Delinquents | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 |
| Average Daily Population | 85 | 107 | 110 | 85 | 91 | 96 | 89 | 88 | 87 | 95 |
| Detention Admissions (Annual) | 1,180 | 1,518 | 1,876 | 1,879 | 2,158 | 2,518 | 2,855 | 2,773 | 2,753 | 2,912 |
| Health Assessments/MH Screens in Detention | 3,749 | 3,094 | 4,932 | 4,852 | 4,126 | 4,849 | 4,397 | 4,040 | 4,024 | 4,576 |
| **Court Intake and Probation Supervision:** | | | | | | | | | | |
| Annual Delinquency / JIPS Referrals | 1,521 | 1,893 | 1,975 | 1,862 | 1,981 | 2,175 | 2,485 | 2,514 | 2,470 | 2,741 |
| Average Monthly Intake / Probation / Diversion Cases | 793 | 1,245 | 1,210 | 1,315 | 1,345 | 1,428 | 1,581 | 1,678 | 1,823 | 2,265 |
| POSIT / Drug / Alcohol Screens | 413 | 419 | 608 | 704 | 3,920 | - | 2,573 | 2,530 | 2,680 | 2,634 |
| AODA Assessments | 74 | 89 | 110 | 95 | - | 199 | 209 | 229 | 304 | 363 |
| Victim Notifications | 1,598 | 2,179 | 2,266 | 1,943 | 156 | 2,042 | 2,224 | 2,380 | 2,245 | 2,714 |
| Diversion Restitution Payments Processed | 8 | 13 | 9 | 19 | 2,011 | 19 | 29 | 24 | 36 | 23 |
| Administrative Review Panels | - | - | - | 990 | 19 | 12 | 70 | 88 | 189 | 206 |
| Warrants Issued | 417 | 804 | 728 | 185 | 66 | 751 | 839 | 686 | 681 | 721 |
| Probation Orientation | - | - | - | - | 805 | 183 | 618 | 610 | 548 | 650 |
| Avg Monthly Youth - Delinquency and Courts Svcs | 1,213 | 1,409 | 1,210 | 1,315 | 1,345 | 1,482 | 1,581 | 1,678 | 1,823 | 2,265 |
| **Juveniles Served by Dept. of Corrections:** | | | | | | | | | | |
| Juvenile Commitments (Annual) | 56 | 67 | 70 | 110 | 139 | 130 | 150 | 166 | 153 | 206 |
| Average Daily Youth under Dept. of Corrections | 65 | 61 | 80 | 132 | 148 | 140 | 160 | 151 | 186 | 235 |
| Juveniles Served in Community Programs: | | | | | | | | | | |
| Temporary Shelter Care | 261 | 240 | 466 | 453 | 619 | 784 | 862 | 780 | 749 | 780 |
| Level II Monitoring | 908 | 969 | 1,091 | 957 | 854 | 868 | 910 | 820 | 775 | 878 |
| First Time Juvenile Offenders Program | 92 | 166 | 232 | 118 | 158 | 187 | 243 | 251 | 276 | 376 |
| Probation Network Services | 616 | 458 | 373 | 359 | 540 | 533 | 365 | 357 | 387 | 485 |
| Sex Offender Program | - | - | - | - | 45 | 45 | 42 | 41 | 47 | 73 |
| Day Treatment Program | 95 | 109 | 89 | 76 | 140 | 138 | 187 | 174 | 169 | 168 |
| Foster Care | 1 | 2 | 2 | 2 | 2 | 1 | 2 | 3 | 3 | 2 |
| Group Home Care | 12 | 10 | 6 | 28 | 60 | 77 | 69 | 73 | 96 | 106 |
| RADS | - | - | - | - | - | - | - | 1 | 15 | 15 |
| Wraparound | 349 | 424 | 524 | 570 | 577 | 630 | 627 | 682 | 719 | 706 |
| Serious Chronic Offender Program | 238 | 253 | 225 | 128 | 241 | 272 | 140 | 118 | 106 | 102 |
| Firearm Project Program | - | - | - | 44 | - | - | 58 | 91 | 108 | 108 |
| Sibling/Graduate Engagement | 88 | 129 | 97 | 55 | 88 | 89 | 91 | 101 | 109 | 99 |

# COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function
For the Last Ten Years Ended December 31

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Delinquency and Court Services Division (cont'd)** | | | | | | | | | | |
| **Juveniles Served by Dept. of Corrections (cont'd):** | | | | | | | | | | |
| Focus Program | 22 | 42 | 66 | 72 | 69 | 59 | 72 | 71 | 76 | 83 |
| ACE - Alternatives to Corrections through Education | - | - | - | 60 | - | - | - | - | 1 | 1 |
| Milwaukee County Accountability Program | 71 | 85 | 67 | 39 | 36 | 28 | 13 | - | - | - |
| Reentry Coordination and Services | - | 85 | 116 | 80 | 87 | 68 | 63 | 55 | 27 | - |
| **Disabilities Services Division:** | | | | | | | | | | |
| Adults Served by Service Bureau | 1,022 | 790 | 702 | 771 | 890 | 306 | 285 | 348 | 2,039 | 2,518 |
| Children Served by Service Bureau | 12,800 | 12,001 | 11,885 | 15,061 | 7,744 | 9,692 | 9,831 | 10,603 | 5,223 | 4,798 |
| Resource Center Services | 35,887 | 35,380 | 30,282 | 30,118 | 35,573 | 35,186 | 33,866 | 20,839 | 24,487 | 15,156 |
| Court Related Services | 894 | 939 | 1,062 | 684 | 771 | 719 | 802 | 813 | 730 | 1,550 |
| Special Needs - Safe Haven (Persons / Year) | - | 44 | 85 | 82 | 64 | 78 | 81 | 66 | 63 | 64 |
| Special Needs - Shelter Plus Care (Persons/Year) | 739 | 709 | 603 | 543 | 454 | 484 | 538 | 558 | 553 | 537 |
| HOME / Home Repair - Number of New Loans | 11 | 20 | 33 | 22 | 28 | 33 | 11 | 35 | 43 | 75 |
| **Behavioral Health Division:** | | | | | | | | | | |
| **Inpatient Services Branch:** | | | | | | | | | | |
| **Acute Adult Inpatient:** | | | | | | | | | | |
| Average Daily Census | 41 | 43 | 46 | 47 | 47 | 59 | 67 | 80 | 84 | 89 |
| Patients Served | 602 | 518 | 545 | 731 | 882 | 1,009 | 1,124 | 1,361 | 1,696 | 1,734 |
| Admissions | 770 | 656 | 683 | 961 | 1,093 | 1,456 | 1,650 | 1,846 | 2,254 | 2,336 |
| Patient Days | 15,272 | 15,648 | 16,688 | 17,209 | 16,991 | 21,363 | 24,586 | 29,098 | 30,805 | 32,573 |
| Average Length of Stay | 23 | 23 | 23 | 18 | 16 | 15 | 16 | 15 | 15 | 15 |
| **CAIS Inpatient:** | | | | | | | | | | |
| Average Daily Census | 8 | 9 | 8 | 10 | 9 | 8 | 6 | 8 | 10 | 9 |
| Patients Served | 473 | 517 | 453 | 611 | 683 | 606 | 798 | 950 | 1,241 | 1,103 |
| Admissions | 644 | 709 | 617 | 919 | 953 | 829 | 1,152 | 1,343 | 1,601 | 1,551 |
| Patient Days | 2,734 | 3,146 | 2,984 | 3,601 | 3,305 | 2,930 | 2,311 | 3,077 | 3,781 | 3,440 |
| Average Length of Stay | 4 | 4 | 5 | 4 | 3 | 4 | 2 | 2 | 2 | 2 |
| **Nursing Home Services - Rehabilitation Centers:** | | | | | | | | | | |
| Average Daily Census | - | - | - | 15 | 36 | 111 | 130 | 131 | 132 | 131 |
| Patients Served | - | - | - | 15 | 100 | 110 | 157 | 165 | 150 | 153 |
| Admissions | - | - | - | - | 1 | 3 | 23 | 31 | 16 | 16 |
| Patient Days | - | - | - | 3,044 | 26,037 | 40,350 | 47,489 | 47,719 | 48,098 | 47,894 |
| **Community Services:** | | | | | | | | | | |
| **Community Support Program:** | | | | | | | | | | |
| Patients Served | 1,543 | 1,498 | 1,447 | 1,290 | 1,090 | 1,353 | 333 | 356 | 361 | 372 |

# COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function
For the Last Ten Years Ended December 31

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Behavioral Health Division (cont'd):** | | | | | | | | | | |
| **Community Services Support Program (cont'd):** | | | | | | | | | | |
| Admissions | 325 | 296 | 251 | 224 | 137 | 133 | 14 | 35 | 29 | 10 |
| Contacts (Visits) | 421,290 | 357,484 | 329,985 | 294,753 | 157,031 | 345,159 | 46,957 | 47,453 | 46,657 | 48,515 |
| **Targeted Case Management:** | | | | | | | | | | |
| Patients Served | 2,198 | 2,121 | 1,862 | 1,738 | 1,509 | 1,439 | 159 | 219 | 276 | 293 |
| Admissions | 724 | 783 | 548 | 364 | 344 | 364 | - | 11 | 42 | 61 |
| Contacts (Visits) | 172,486 | 192,851 | 149,977 | 129,158 | 88,407 | 165,105 | 623 | 8,299 | 8,965 | 9,429 |
| **Adult Day Treatment:** | | | | | | | | | | |
| Average Daily Census | - | 6 | 10 | 12 | 10 | 11 | 17 | 14 | 13 | 25 |
| Patients Served | - | 42 | 42 | 56 | 39 | 63 | 64 | 62 | 67 | 80 |
| Admissions | - | 42 | 31 | 36 | 40 | 42 | 44 | 46 | 46 | 64 |
| Appointments (hrs.) | - | 7,215 | 6,480 | 9,567 | 13,274 | - | 14,576 | 13,008 | 12,031 | 16,061 |
| Visits | - | 2,720 | 2,442 | 2,558 | 2,926 | 10,328 | 4,497 | 3,582 | 3,479 | 4,468 |
| **Crisis Services:** | | | | | | | | | | |
| Psychiatric Crisis Services - Admissions (1) | 7,375 | 8,001 | 8,286 | 10,153 | 10,690 | 11,460 | 12,124 | 12,812 | 13,104 | 12,565 |
| Psychiatric Crisis Services - Unique Patients Served (2) | 4,460 | 4,889 | 4,911 | 5,987 | 6,332 | 6,971 | 7,425 | 7,931 | 8,240 | 7,844 |
| **Access Clinic:** | | | | | | | | | | |
| Patients Served (1) | 828 | 516 | 603 | 546 | 1,175 | 2,389 | 2,406 | 1,652 | 1,680 | 1,785 |
| Admissions (1) | 862 | 521 | 606 | 549 | 1,197 | 2,559 | 2,325 | 1,426 | 1,479 | 1,530 |
| Appointments | 2,467 | 944 | 1,182 | 1,249 | 4,064 | 6,310 | 6,674 | 5,573 | 5,233 | 5,681 |
| **Crisis Response (Mobile):** | | | | | | | | | | |
| Patients Served (1) | 3,888 | 2,447 | 2,017 | 1,982 | 1,718 | 1,426 | 1,155 | 990 | 934 | 866 |
| Admissions (1) | 4,989 | 3,493 | 2,688 | 2,496 | 2,096 | 1,665 | 1,324 | 1,141 | 1,058 | 941 |
| Appointments | - | 2,827 | 2,467 | 2,362 | 2,010 | 2,211 | 1,517 | 1,405 | 1,473 | 1,392 |
| **Crisis Respite:** | | | | | | | | | | |
| Patients Served (1) | 203 | 261 | 254 | 274 | 329 | 329 | 298 | 330 | 328 | 279 |
| Admissions (1) | 249 | 313 | 296 | 309 | 385 | 398 | 345 | 386 | 381 | 319 |
| **Alcohol and Other Drug Abuse Services:** | | | | | | | | | | |
| Methadone Detox | - | - | - | - | 159 | 232 | 143 | 148 | 74 | 183 |
| Inpatient Care (Detox) | 6,698 | 6,483 | 6,316 | 5,409 | 5,556 | 1,918 | 3,162 | 2,813 | 3,360 | 3,542 |
| Intake Assessments | 4,972 | 4,854 | 4,760 | 6,256 | 4,443 | 3,973 | 6,334 | 4,860 | 5,153 | 4,727 |
| Outpatient | 862 | 796 | 853 | 836 | 2,084 | 2,574 | 3,734 | 3,331 | 3,171 | 3,112 |
| Day Treatment | 60 | 67 | 78 | 68 | 243 | 458 | 557 | 688 | 683 | 903 |
| Day Treatment - Residential | 781 | 769 | 716 | 673 | 591 | 490 | 656 | 711 | 708 | 727 |
| Community Living Support Services | 870 | 926 | 1,053 | 2,276 | 2,526 | - | 6,604 | 6,069 | 6,341 | 5,709 |
| Recovery House Plus OP/PT | 77 | 78 | 76 | 89 | 169 | 162 | 360 | 321 | 334 | 197 |
| **Wraparound Milwaukee:** | | | | | | | | | | |
| Average Census | 1,159 | 1,205 | 1,227 | 1,179 | 967 | 1,212 | 1,059 | 945 | 942 | 905 |
| Patients Served | 2,952 | 3,404 | 3,495 | 3,458 | 3,347 | 2,627 | 3,246 | 3,400 | 3,521 | 3,492 |

# COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function
For the Last Ten Years Ended December 31

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Behavioral Health Division (cont'd)** | | | | | | | | | | |
| **Wraparound Milwaukee (cont'd):** | | | | | | | | | | |
| Admissions | 766 | 841 | 869 | 945 | 1,029 | 993 | 1,171 | 874 | 898 | 829 |
| Patient Contacts | 9,499 | 12,358 | 13,649 | 12,124 | 10,895 | 9,975 | 9,490 | 9,239 | 9,115 | 7,395 |
| Hospital Diversions | 1,932 | 2,202 | 2,189 | 1,364 | 809 | 754 | 961 | 1,404 | 1,511 | 1,236 |
| **PARKS, RECREATION, AND CULTURE** | | | | | | | | | | |
| **Zoo:** | | | | | | | | | | |
| Zoo Attendance - Adults | 344,643 | 344,966 | 346,759 | 369,036 | 380,478 | 372,548 | 387,308 | 367,234 | 379,418 | 383,982 |
| Zoo Attendance - Junior | 168,821 | 168,570 | 150,688 | 171,087 | 163,298 | 173,960 | 159,736 | 168,637 | 185,729 | 186,930 |
| Zoo Attendance - Free | 632,581 | 686,367 | 831,914 | 838,881 | 723,580 | 686,391 | 785,351 | 697,348 | 701,168 | 720,330 |
| Zoo Attendance - Total | 1,146,045 | 1,199,903 | 1,329,361 | 1,379,004 | 1,267,356 | 1,232,899 | 1,332,395 | 1,233,219 | 1,266,315 | 1,291,242 |
| **Parks:** | | | | | | | | | | |
| **Facilities Rentals:** | | | | | | | | | | |
| Picnic with/without Shelters | 3,024 | 3,243 | 2,583 | 2,548 | 3,217 | 3,202 | 3,178 | 3,029 | 2,960 | 3,089 |
| Buildings | 2,194 | 2,234 | 2,287 | 2,283 | 2,109 | 2,204 | 1,872 | 1,744 | 2,085 | 1,998 |
| Lodges | 79 | 90 | 65 | 67 | 92 | 90 | 83 | 53 | 45 | 27 |
| Pools Rentals | 52 | 54 | 56 | 44 | 70 | 56 | 40 | 39 | 49 | 41 |
| Marina Slip Rentals | 613 | 624 | 620 | 649 | 641 | 638 | 635 | 664 | 659 | 644 |
| Special Event Permits | 952 | 920 | 949 | 873 | 634 | 571 | 360 | 339 | 272 | 267 |
| Rounds of Golf | 235,786 | 261,609 | 283,275 | 297,475 | 273,443 | 278,353 | 314,715 | 288,953 | 315,455 | 302,262 |
| Pool Attendance | 207,853 | 211,334 | 264,846 | 219,062 | 206,336 | 261,371 | 352,134 | 321,749 | 348,547 | 251,447 |
| **BUSINESS-TYPE ACTIVITIES** | | | | | | | | | | |
| **Transit / Para Transit:** | | | | | | | | | | |
| Buses Assigned | 391 | 401 | 401 | 401 | 405 | 396 | 415 | 416 | 415 | 483 |
| Max Buses Operated | 337 | 332 | 337 | 343 | 331 | 333 | 333 | 341 | 333 | 394 |
| Bus Miles Traveled | 18,306,996 | 18,219,946 | 18,579,208 | 18,437,783 | 17,457,798 | 17,244,868 | 17,369,735 | 17,107,116 | 17,369,735 | 17,958,867 |
| Bus Hours Driven | 1,394,808 | 1,387,358 | 1,407,840 | 1,396,012 | 1,345,689 | 1,328,033 | 1,331,216 | 1,298,644 | 1,331,216 | 1,346,998 |
| Revenue - Passengers | 21,650,627 | 20,415,104 | 18,901,527 | 22,887,923 | 33,222,519 | 36,451,283 | 37,372,333 | 38,075,651 | 37,372,333 | 39,405,363 |
| Transit Plus Ridership | 527,941 | 526,411 | 530,989 | 523,406 | 557,272 | 544,357 | 572,146 | 876,494 | 572,146 | 1,170,456 |
| **Airports:** | | | | | | | | | | |
| Passengers Served | 7,097,627 | 6,904,670 | 6,757,357 | 6,549,353 | 6,554,152 | 6,521,027 | 7,515,070 | 9,522,456 | 9,848,377 | 7,946,562 |
| Carriers - Commercial | 8 | 8 | 8 | 8 | 7 | 8 | 8 | 9 | 10 | 12 |
| Runways | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Acreage | 2,386 | 2,386 | 2,386 | 2,386 | 2,386 | 2,386 | 2,386 | 2,386 | 2,386 | 2,386 |
| Daily Departures/Arrivals | 270 | 264 | 270 | 265 | 269 | 282 | 320 | 431 | 479 | 422 |
| Aircraft Operations | 111,690 | 111,215 | 113,530 | 111,501 | 113,248 | 119,549 | 133,366 | 173,017 | 191,553 | 169,693 |
| Revenue Landing Weight (in 1,000 lbs.) | 4,692,553 | 4,639,744 | 4,629,896 | 4,429,448 | 4,389,521 | 4,522,926 | 5,024,172 | 6,237,622 | 6,550,879 | 5,552,988 |
| Air Freight (in 1,000 lbs.) | 167,941 | 162,782 | 158,859 | 146,993 | 143,884 | 148,876 | 156,582 | 165,583 | 171,123 | 147,390 |

Notes:
(1) 2018 - Prior year data has been updated to correct prior inconsistencies and provide accurate statistical data that is reported on other published documents.
(2) 2018 - New statistical data added.

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **LEGISLATIVE, EXECUTIVE AND STAFF** | | | | | | | | | | |
| **County Board:** | | | | | | | | | | |
| Vehicles - Cars, Vans, SUVs, Pickup Trucks | - | - | - | - | - | 1 | 1 | - | - | - |
| **Office for Persons with Disabilities:** | | | | | | | | | | |
| Vehicles - Cars, Vans, SUVs, Pickup Trucks | 1 | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| **Information Management Services:** | | | | | | | | | | |
| Vehicles - Cars, Vans, SUVs, Pickup Trucks | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| **General (1):** | | | | | | | | | | |
| Buildings (11) | - | - | - | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Correctional Services Buildings (11) | 1 | 1 | 1 | - | - | - | - | - | - | - |
| County Services Buildings (11) | 2 | 2 | 2 | - | - | - | - | - | - | - |
| **Facilities Management (1,2):** | | | | | | | | | | |
| Buildings (12) | - | - | - | 7 | 6 | 6 | 6 | - | - | - |
| Electrical Substation (12) | - | - | - | 2 | 2 | 2 | 2 | - | - | - |
| Electrical Distribution (12,30) | - | 1 | 2 | - | - | - | - | - | - | - |
| Guard Station (12) | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Maintenance Buildings (12,30) | 1 | 4 | 4 | - | - | - | - | - | - | - |
| Loaders and Attachments | 1 | 1 | 1 | 3 | 3 | 2 | 3 | - | - | - |
| Mowers and Attachments | 14 | 14 | 16 | 16 | 13 | 9 | 7 | - | - | - |
| Not in Use Buildings (30) | 1 | - | - | - | - | - | - | - | - | - |
| Pump House (12) | - | - | - | 1 | 1 | 1 | 1 | - | - | - |
| Snow Plows and Attachments | 11 | 9 | 10 | 11 | 10 | 11 | 12 | - | - | - |
| Spreaders and Attachments | 4 | 5 | 5 | 5 | 5 | 5 | 5 | - | - | - |
| Storage Buildings (12) | 3 | 3 | 3 | - | - | - | - | - | - | - |
| Sweepers, Cleaners and Attachments | 1 | 3 | 3 | 3 | 3 | 3 | 3 | - | - | - |
| Tanks (21) | 2 | 2 | - | - | - | - | - | - | - | - |
| Tractors | 1 | 2 | 1 | 1 | 1 | 1 | 2 | - | - | - |
| Trucks-over 13,000 lb. gross vehicle weight | 1 | 2 | 2 | 2 | 2 | 2 | 2 | - | - | - |
| Utilities Building (30) | 2 | - | - | - | - | - | - | - | - | - |
| Vehicles - Cars, Vans, SUVs, Pickup Trucks | 32 | 30 | 35 | 39 | 34 | 34 | 34 | - | - | - |
| Water Supply Storage Tanks (12) | 5 | 5 | 5 | - | - | - | - | - | - | - |
| Water Towers and Reservoirs (12) | - | - | - | 6 | 6 | 5 | 5 | - | - | - |
| **PUBLIC SAFETY** | | | | | | | | | | |
| **Medical Examiner:** | | | | | | | | | | |
| Vehicles - Cars, Vans, SUVs, Pickup Trucks | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 5 | 5 |
| County Services Buildings (11) | 1 | 1 | 1 | - | - | - | - | - | - | - |
| **District Attorney:** | | | | | | | | | | |
| Vehicles - Cars, Vans, SUVs, Pickup Trucks | 21 | 19 | 18 | 19 | 17 | 12 | 11 | 16 | 19 | 19 |
| **Office of Emergency Management (10):** | | | | | | | | | | |
| Ambulances | 2 | 1 | 1 | 2 | - | - | - | - | - | - |
| Storage Buildings (31) | 1 | - | - | - | - | - | - | - | - | - |
| Trailer | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Utilities Buildings (31) | 6 | - | - | - | - | - | - | - | - | - |
| Vehicles - Cars, Vans, SUVs, Pickup Trucks | 4 | 4 | 4 | 4 | - | - | - | - | - | - |
| **Sheriff (10):** | | | | | | | | | | |
| Ambulances | - | 1 | 2 | - | 3 | 2 | 2 | 2 | 1 | 1 |
| Animal Holding Building (13) | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Bomb Trucks | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Generator | - | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| Hangar (13) | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Jet Skis | 2 | 2 | 2 | - | - | - | - | - | - | - |
| Sheriff Service Building (13) | 1 | 1 | 1 | - | - | - | - | - | - | - |

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| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **PUBLIC SAFETY (cont'd)** | | | | | | | | | | |
| **Sheriff (10) (cont'd):** | | | | | | | | | | |
| Squad Cars | 79 | 70 | 72 | 72 | 77 | 86 | 84 | 93 | 80 | 71 |
| Vehicles - Cars, Vans, SUVs, Pickup Trucks | 86 | 89 | 91 | 92 | 92 | 91 | 99 | 99 | 98 | 99 |
| **House of Corrections:** | | | | | | | | | | |
| Barn - (note silos below, 6) | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| Buildings (14) | - | - | - | 7 | 10 | 11 | 12 | 12 | 12 | 12 |
| Chicken Coop (6) | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| Correctional Dormitory Buildings (14,30) | 2 | 3 | 3 | - | - | - | - | - | - | - |
| Correctional Services Buildings (14,22,30) | 4 | 4 | 3 | - | - | - | - | - | - | - |
| Creamery (6) | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| Fuel Storage Tanks (14) | - | 1 | - | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Garages (14) | - | 1 | - | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| Greenhouses | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| Guard Station (14) | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Kennels (6) | - | 1 | - | - | - | - | 1 | 1 | 1 | 1 |
| Loaders and Attachments | 4 | 2 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Maintenance Buildings (14) | 2 | 2 | 2 | - | - | - | - | - | - | - |
| Miscellaneous Equipment | 2 | 2 | 4 | 5 | 5 | 3 | 3 | 3 | 3 | 3 |
| Mowers and Attachments | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Pump Houses (14) | - | 1 | - | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| Silos - (attached to Barn above, 6) | - | - | - | - | - | - | 4 | 4 | 4 | 4 |
| Snow Plows | 5 | 4 | 3 | - | - | - | - | - | - | - |
| Spreaders | 2 | 1 | 1 | - | 1 | 1 | 1 | 1 | 1 | 1 |
| Storage Buildings (14,22) | 16 | 16 | 4 | - | - | - | - | - | - | - |
| Tanks (14,22) | 5 | 5 | 2 | - | - | - | - | - | - | - |
| Toll Booths and Sheriff Check-In (14) | - | - | - | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| Tractors | 4 | 4 | 4 | 5 | 5 | 6 | 6 | 6 | 6 | 6 |
| Trailers | - | 1 | - | - | - | 1 | 1 | 1 | 1 | 1 |
| Vehicles - Cars, Vans, SUVs, Pickup Trucks | 36 | 34 | 39 | 39 | 39 | 36 | 35 | 40 | 40 | 43 |
| Warehouses, Storage Bldgs, & Sheds (14) | - | - | - | 3 | 4 | 4 | 12 | 12 | 12 | 12 |
| Water Towers (9) | - | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| **PUBLIC WORKS AND HIGHWAYS (2)** | | | | | | | | | | |
| Aerial Lifts and Buckets | 8 | 8 | 8 | 7 | 6 | 8 | 7 | 9 | 6 | 6 |
| Air Compressors | 12 | 10 | 12 | 12 | 12 | 11 | 11 | 11 | 11 | 11 |
| Asphalting Equipment | 15 | 12 | 16 | 14 | 14 | 13 | 13 | 16 | 16 | 15 |
| Brine Making Machine | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Buildings (15) | - | - | - | 1 | 1 | 1 | 1 | 9 | 9 | 9 |
| Cranes and Attachments | 11 | 10 | 9 | 9 | 9 | 6 | 6 | 5 | 5 | 5 |
| Fleet Services Building (15) | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Fork Lifts and Attachments | 15 | 10 | 9 | 9 | 9 | 9 | 9 | 8 | 8 | 8 |
| Garages (15) | - | - | - | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Liquid Calcium Applicators | 31 | 36 | 37 | 37 | 40 | 41 | 49 | 54 | 63 | 64 |
| Loaders and Attachments | 14 | 15 | 13 | 12 | 12 | 12 | 11 | 17 | 20 | 24 |
| Maintenance Buildings (15,32) | 2 | 3 | 3 | - | - | - | - | - | - | - |
| Mowers and Attachments | 31 | 36 | 33 | 30 | 27 | 27 | 27 | 40 | 39 | 41 |
| Other Miscellaneous Road Working Equipment | 42 | 32 | 41 | 40 | 41 | 41 | 17 | 16 | 16 | 16 |
| Scooters | 1 | 1 | 1 | 1 | - | - | - | - | - | - |
| Snow Plows and Attachments (29) | 182 | 153 | 180 | 179 | 174 | 175 | 187 | 186 | 213 | 193 |
| Spreaders and Attachments | 71 | 79 | 72 | 73 | 74 | 76 | 91 | 99 | 133 | 113 |
| Storage Buildings (15,32) | 14 | 17 | 17 | - | - | - | - | - | - | - |
| Sweepers, Cleaners and Attachments | 18 | 13 | 17 | 16 | 15 | 15 | 16 | 21 | 20 | 21 |
| Tanks (23) | 12 | 12 | - | - | - | - | - | - | - | - |
| Tractors | 11 | 12 | 12 | 12 | 13 | 13 | 12 | 18 | 17 | 18 |
| Trailers | 16 | 13 | 14 | 11 | 10 | 10 | - | - | - | - |
| Trucks-over 13,000 lb. gross vehicle weight | 110 | 106 | 105 | 97 | 93 | 93 | 100 | 119 | 113 | 125 |
| Utilities Buildings (32) | 4 | - | - | - | - | - | - | - | - | - |
| Vehicles - Cars, Vans, SUVs, Pickup Trucks | 49 | 53 | 52 | 36 | 29 | 35 | 29 | 72 | 140 | 86 |

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| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **PUBLIC WORKS AND HIGHWAYS (2) (cont'd)** | | | | | | | | | | |
| Warehouses, Storage Buildings and Sheds (15) | - | - | - | 15 | 14 | 14 | 14 | 14 | 14 | 14 |
| Water Pumps and Tanks | 6 | 3 | 7 | 7 | 6 | 7 | 8 | 8 | 8 | 8 |
| **HEALTH & HUMAN SERVICES:** | | | | | | | | | | |
| Buildings (4,16) | - | - | - | 12 | 12 | 13 | 13 | 8 | 8 | 8 |
| Community Services Buildings (16) | 8 | 8 | 8 | - | - | - | - | - | - | - |
| Correctional Services Building (16) | 1 | 1 | 1 | - | - | - | - | - | - | - |
| County Services Buildings (16,32) | 1 | 7 | 7 | - | - | - | - | - | - | - |
| Medical - Hospital (16) | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Not in Use Buildings (16,24,32) | 9 | 3 | 4 | - | - | - | - | - | - | - |
| Recreational Centers (16) | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Senior Centers (16) | - | - | - | 6 | 5 | 6 | 6 | 6 | 6 | 6 |
| Sheds (12,16) | - | - | - | 4 | 3 | 3 | 3 | 3 | 3 | 3 |
| Storage Buildings (16) | 2 | 2 | 2 | - | - | - | - | - | - | - |
| Vehicles - Cars, Vans, SUVs, Pickup Trucks | 25 | 22 | 18 | 13 | 19 | 22 | 24 | 29 | 33 | 34 |
| Wading Pools (24) | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Wheelchair Accessible Vans | - | - | - | - | - | - | - | 1 | 1 | 1 |
| **PARKS, RECREATION AND CULTURE** | | | | | | | | | | |
| **Parks:** | | | | | | | | | | |
| Air Compressors | 4 | 4 | 4 | 4 | 2 | 1 | - | - | - | - |
| Asphalting Equipment | 2 | 2 | 2 | 2 | 2 | 3 | - | - | - | - |
| Band Shells and Amphitheater (17) | - | - | - | 4 | 4 | 3 | 3 | 3 | 3 | 3 |
| Barns (6,17) | - | - | - | 1 | 1 | 1 | - | - | - | - |
| Barns and Silos (6,17) | - | - | - | 6 | 6 | 6 | 5 | 5 | 5 | 5 |
| Bathhouse / Pavilions (17) | - | - | - | 28 | 29 | 29 | 27 | 27 | 27 | 27 |
| Bathhouses (17) | - | - | - | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Boat Launches (17) | 4 | 4 | 4 | 1 | 1 | 1 | 1 | 3 | 3 | 3 |
| Boathouses (17) | - | - | - | 3 | 3 | 3 | 3 | 4 | 3 | 3 |
| Booths (17) | - | - | - | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Buildings (8,17) | - | - | - | 119 | 134 | 133 | 132 | 131 | 131 | 128 |
| Chicken Coop (6) | - | - | - | - | 1 | 1 | - | - | - | - |
| Comfort Stations (17) | - | - | - | 28 | 28 | 28 | 27 | 27 | 27 | 27 |
| Community Centers (17) | - | - | - | 3 | 3 | 2 | 3 | 3 | 3 | 3 |
| Community Services Buildings (25) | 1 | 1 | - | - | - | - | - | - | - | - |
| Concession Buildings (17,33) | 11 | 11 | 11 | - | - | - | - | - | - | - |
| Concession Stands (17) | - | - | - | 7 | 7 | 7 | 4 | 4 | 4 | 4 |
| Creamery (6,17) | - | - | - | 1 | 1 | 1 | - | - | - | - |
| Dam and Dam Dugouts (17) | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fork Lifts and Attachments | 2 | 1 | 1 | 1 | - | - | - | - | - | - |
| Gazebos (17) | - | - | - | 4 | 4 | 4 | 3 | 3 | 3 | 3 |
| Golf Clubhouses (17) | - | - | - | 13 | 13 | 13 | 14 | 15 | 15 | 15 |
| Golf Courses | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Golf Dome (17) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Greenhouses (17) | - | - | - | 1 | 1 | 1 | 1 | - | - | - |
| Harvesters | 4 | 8 | 8 | 8 | 8 | 8 | 8 | 7 | 7 | 7 |
| Hoppers (17) | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Houses and Lodges (17) | - | - | - | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| HTF Services Buildings (25,33) | 3 | 2 | - | - | - | - | - | - | - | - |
| Indoor Baseball Facilities (17) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Jet Ski | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Kennels (6,17) | - | - | - | 1 | 1 | 1 | - | - | - | - |
| Lighthouse (17) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Loaders and Attachments | 20 | 18 | 18 | 15 | 15 | 20 | 21 | 24 | 25 | 27 |
| Maintenance Buildings (17,25,33) | 26 | 43 | 45 | - | - | - | - | - | - | - |
| Miscellaneous Equipment | 40 | 42 | 38 | 37 | 41 | 38 | 41 | 51 | 54 | 54 |
| Mowers and Attachments (7) | 475 | 524 | 457 | 452 | 450 | 134 | 107 | 72 | 78 | 58 |
| Museum / Art Centers (17) | 19 | 19 | 19 | - | - | - | - | - | - | - |

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| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **PARKS, RECREATION AND CULTURE** | | | | | | | | | | |
| **Parks (cont'd):** | | | | | | | | | | |
| Nature Preserves and Gardens (17) | - | - | - | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Not in Use Buildings (25,33) | 12 | 7 | - | - | - | - | - | - | - | - |
| Park Services Buildings (17,25,33) | 4 | 4 | 5 | - | - | - | - | - | - | - |
| Parking Structures (17,25) | - | - | 1 | - | - | - | - | - | - | - |
| Parking Structures & Garages (17) | - | - | - | 7 | 9 | 8 | 8 | 8 | 8 | 8 |
| Parks and Parkways (3) | 157 | 158 | 158 | 157 | 156 | 157 | 156 | 147 | 147 | 147 |
| Pavilions (17) | - | - | - | 33 | 32 | 32 | 30 | 30 | 30 | 30 |
| Public Shelters (17,25,33) | 36 | 35 | 37 | - | - | - | - | - | - | - |
| Pump Houses (17) | - | - | - | 13 | 13 | 12 | 11 | 11 | 11 | 11 |
| Recreation Buildings (17,25,33) | 127 | 133 | 134 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Restroom / Concession Buildings (17,33) | 4 | 3 | 3 | - | - | - | - | - | - | - |
| Restroom / Maintenance Buildings (17,33) | 6 | 5 | 5 | - | - | - | - | - | - | - |
| Restroom / Public Shelters (17,25,33) | 19 | 18 | 17 | - | - | - | - | - | - | - |
| Restroom Buildings (17,25,33) | 30 | 31 | 35 | - | - | - | - | - | - | - |
| Scooters | 4 | 10 | 10 | 12 | 14 | 14 | 14 | 17 | 17 | 20 |
| Self Dumping cart (17) | 6 | 6 | 6 | - | - | - | - | - | - | - |
| Shelters (17) | - | - | - | 34 | 34 | 34 | 32 | 32 | 32 | 32 |
| Show Stages (17) | 5 | 5 | 5 | - | - | - | - | - | - | - |
| Ski Chalet (17) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Snow Plows, Equipment and Attachments | 118 | 124 | 119 | 118 | 118 | 131 | 130 | 129 | 113 | 109 |
| Splash Pads (17,25,33) | 7 | 6 | 5 | - | - | - | - | - | - | - |
| Spreaders and Attachments | 64 | 68 | 66 | 66 | 65 | 65 | 67 | 67 | 58 | 50 |
| Storage Buildings (17,25,33) | 136 | 145 | 148 | - | - | - | - | - | - | - |
| Storage Containers (17) | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Storage Sheds (17) | - | - | - | 105 | 105 | 103 | 106 | 107 | 107 | 107 |
| Sweepers | 7 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 |
| Swimming Pools (17,25) | 13 | 13 | 13 | 13 | 14 | 14 | 15 | 15 | 15 | 15 |
| Tanks (25,33) | 54 | 50 | - | - | - | - | - | - | - | - |
| Ticket Booths (17,25) | 6 | 6 | 5 | - | - | - | - | - | - | - |
| Tractors | 4 | 4 | 4 | 4 | 3 | 3 | 4 | 18 | 16 | 18 |
| Trailers | 10 | 10 | 8 | 10 | 10 | 10 | 10 | 8 | 8 | 8 |
| Trucks-over 13,000 lb. gross vehicle weight | 26 | 24 | 25 | 27 | 29 | 28 | 29 | 29 | 24 | 28 |
| Utilities Buildings (33) | 18 | - | - | - | - | - | - | - | - | - |
| Vehicles - Cars, Vans, SUVs, Pickup Trucks | 148 | 152 | 140 | 133 | 135 | 136 | 136 | 138 | 147 | 142 |
| Wading Pools (17,25) | 32 | 32 | 33 | 35 | 36 | 36 | 36 | 36 | 36 | 36 |
| Walkway Bridge (17) | 150 | 167 | 167 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Warehouses (6,17) | - | - | - | 1 | 1 | 1 | - | - | - | - |
| Water Playgrounds & Splash Pads (17) | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Weed Sprayers and Attachments | 23 | 25 | 23 | 23 | 24 | 24 | 24 | 24 | 24 | 24 |
| Zamboni | 1 | - | - | - | - | - | - | - | - | - |
| **Zoo:** | | | | | | | | | | |
| Animal Dens (18) | - | - | - | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Animal Exhibits (18) | - | - | - | 7 | 6 | 6 | 6 | 6 | 6 | 6 |
| Animal Exhibits Buildings (18,34) | 17 | 19 | 19 | - | - | - | - | - | - | - |
| Animal Exhibits Yards (18,34) | 1 | 2 | 2 | - | - | - | - | - | - | - |
| Animal Holding Buildings (18,34) | 26 | 23 | 23 | - | - | - | - | - | - | - |
| Animal Islands (18) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Animal Medical Hospital (18) | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Animal Overlooks (18) | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Animal Petting Rings (18) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Aviaries and Pheasantries (18) | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Barns (18) | - | - | - | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Bleachers (18,34) | 4 | 3 | 3 | - | - | - | - | - | - | - |
| Boat Landings (18) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Booths (18) | - | - | - | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Brine Making Machine | 1 | - | - | - | - | - | - | - | - | - |
| Buildings (18) | - | - | - | 36 | 35 | 36 | 36 | 36 | 36 | 36 |
| Carousels | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

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|---|---|---|---|---|---|---|---|---|---|---|
| **PARKS, RECREATION AND CULTURE** | | | | | | | | | | |
| **Zoo (cont'd):** | | | | | | | | | | |
| Catch Basin Cleaner | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Chick Hatchery (18) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Clubhouse (18) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Comfort / Concession Stations (18) | - | - | - | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Concession Buildings (18,34) | 7 | 7 | 7 | - | - | - | - | - | - | - |
| Electrical Distribution (18) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Entrance Kiosks (18) | - | - | - | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Exterior Animal Pools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Farm Entry Structures (18) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Garages (18) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Gazebos (18) | - | - | - | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Loaders and Attachments | 4 | 3 | 2 | 3 | 3 | 2 | 2 | 4 | 3 | 3 |
| Maintenance Buildings (18,34) | 1 | 3 | 3 | - | - | - | - | - | - | - |
| Mowers and Attachments | 9 | 6 | 6 | 4 | 2 | - | - | - | - | - |
| Observation Decks | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Parking Lot | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Photovoltaic Solar Systems (18) | - | - | - | 1 | 1 | 2 | 2 | 2 | 2 | 2 |
| Pools (18) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Shelters (18,34) | 6 | 6 | 6 | - | - | - | - | - | - | - |
| Pump Houses (18) | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Restroom / Concession Building (18) | 6 | 6 | 6 | - | - | - | - | - | - | - |
| Roadway Sweeper | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sheds (18) | - | - | - | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Shelters (18) | - | - | - | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Snow Plows | 8 | 9 | 9 | 9 | 10 | 7 | 7 | 8 | 8 | 6 |
| Spreaders and Attachments | 3 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Stages (18) | 4 | 4 | 4 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Standalone Bleachers (18) | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Storage Buildings (18) | 22 | 22 | 22 | - | - | - | - | - | - | - |
| Storage Containers (18) | - | - | - | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Tanks (26) | 2 | 2 | - | - | - | - | - | - | - | - |
| Theaters with Bleachers (18) | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Ticket Booths (18,26) | 17 | 17 | 17 | - | - | - | - | - | - | - |
| Train Crossing Shack (34) | 1 | - | - | - | - | - | - | - | - | - |
| Train Depot (34) | 1 | - | - | - | - | - | - | - | - | - |
| Train Depot and Crossing Shacks (18,34) | - | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Train Locomotive Engines | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Trucks-over 13,000 lb. gross vehicle weight | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Utilities Buildings (34) | 2 | - | - | - | - | - | - | - | - | - |
| Vehicles - Cars, Vans, SUVs, Pickup Trucks | 23 | 24 | 24 | 22 | 22 | 21 | 22 | 18 | 22 | 28 |
| Wishing Well (18) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Zoo Services Buildings (18,34) | 17 | 13 | 13 | - | - | - | - | - | - | - |
| **BUSINESS - TYPE ACTIVITIES** | | | | | | | | | | |
| **Transit / Para Transit:** | | | | | | | | | | |
| Buildings (19) | - | - | - | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Bus Waiting Stations (19,27) | - | - | 1 | 3 | 3 | 3 | 3 | 3 | 3 | 4 |
| Maintenance Buildings (19,35) | 5 | 7 | 7 | - | - | - | - | - | - | - |
| Not in Use Buildings (35) | 4 | - | - | - | - | - | - | - | - | - |
| Restroom Buildings (19) | 2 | 2 | 2 | - | - | - | - | - | - | - |
| Sheds (19) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Shelters (19) | - | - | - | 2 | 11 | - | 2 | 2 | 2 | 2 |
| Storage Buildings (19,35) | 4 | 5 | 5 | - | - | - | - | - | - | - |
| Tanks (27,35) | 41 | 20 | - | - | - | - | - | - | - | - |
| Transit Services Building (19,35) | 3 | 4 | 4 | - | - | - | - | - | - | - |

# COUNTY OF MILWAUKEE, WISCONSIN

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| **BUSINESS - TYPE ACTIVITIES (cont'd)** | | | | | | | | | | |
| **Airports:** | | | | | | | | | | |
| Air Traffic Control Towers (20) | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Airport Services Building (20,28,36) | 20 | 23 | 34 | - | - | - | - | - | - | - |
| Buildings (5,20) | - | - | - | 73 | 73 | 72 | 73 | 73 | 46 | 46 |
| Bus / Lot Shelters (20) | - | - | - | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Cargo Carriers (20) | - | - | - | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Combo Units | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Crash and Rescue Facility (20) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Electrical Distribution (20,28) | 2 | 2 | 5 | - | - | - | - | - | - | - |
| Entrance / Exit Helix (20) | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fire Trucks | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Fuel Distribution (20) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Ground Run-up Enclosures | - | - | - | - | - | - | - | - | 2 | 2 |
| Guard Shack and Check Station | - | - | - | - | - | - | - | - | 2 | 2 |
| Guard Stations (20,28) | 15 | 15 | 4 | - | - | - | - | - | - | - |
| Hangars (20,28,36) | 13 | 15 | 26 | 16 | 16 | 12 | 16 | 16 | 25 | 25 |
| Kennels (20) | - | - | - | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| Liquid Calcium Applicators | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Loaders and Attachments | 19 | 19 | 21 | 21 | 21 | 21 | 21 | 22 | 22 | 22 |
| Maintenance Buildings (20,28,36) | 18 | 30 | 28 | - | - | - | - | - | - | - |
| Manufacturing Buildings (28) | 3 | 3 | - | - | - | - | - | - | - | - |
| Miscellaneous Equipment | 38 | 34 | 33 | 34 | 34 | 32 | 33 | 20 | 15 | 11 |
| Mowers and Attachments | 19 | 17 | 35 | 33 | 33 | 32 | 28 | 26 | 26 | 25 |
| Not in Use Buildings | 15 | - | - | - | - | - | - | - | - | - |
| Office Buildings (28,36) | 7 | 16 | - | - | - | - | - | - | - | - |
| Parking Structure | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Shelters (20,28,36) | 13 | 16 | 11 | - | - | - | - | - | - | - |
| Pump Houses (20) | - | - | - | 2 | 2 | 4 | 2 | 2 | 2 | 2 |
| Recreation Building (28,36) | - | 1 | - | - | - | - | - | - | - | - |
| Remote Transmitter (20) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Restroom Buildings (20) | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Runway Brooms, Sweepers and Attachments | 14 | 8 | 16 | 14 | 15 | 14 | 13 | 11 | 10 | 10 |
| Shelters (28,36) | 5 | 4 | - | - | - | - | - | - | - | - |
| Snow Plows and Attachments | 51 | 31 | 50 | 52 | 53 | 53 | 51 | 52 | 54 | 50 |
| Spreaders, Deicers, Salters and Attachments | 16 | 2 | 18 | 18 | 18 | 18 | 18 | 18 | 19 | 19 |
| Storage Buildings (20,28,36) | 55 | 56 | 39 | - | - | - | - | - | - | - |
| Surface Friction Tester | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Tanks (28,36) | 61 | 16 | - | - | - | - | - | - | - | - |
| Taxi Stop Boxes (20) | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Teller Boxes (20) | - | - | - | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Terminals - Passengers (20,36) | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Ticket Booths (20) | 15 | 15 | 15 | - | - | - | - | - | - | - |
| Toll Booths (20) | - | - | - | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Tractors | 8 | 9 | 8 | 7 | 7 | 7 | 7 | 7 | 7 | 8 |
| Trailers | 4 | 6 | 3 | 3 | 3 | 4 | 4 | 2 | 1 | 1 |
| Trucks-over 13,000 lb. gross vehicle weight | 47 | 12 | 36 | 35 | 36 | 36 | 36 | 32 | 32 | 34 |
| Utilities Buildings (36) | 13 | - | - | - | - | - | - | - | - | - |
| Vehicles - Cars, Vans, SUVs, Pickup Trucks | 84 | 91 | 76 | 76 | 77 | 71 | 69 | 70 | 63 | 50 |
| Warehouses, Storage Bldgs & Sheds (5,20) | - | - | - | 53 | 53 | 52 | 52 | 52 | 19 | 19 |

# COUNTY OF MILWAUKEE, WISCONSIN

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

**Notes:**

(1) 2012 - Inventory shows these items under Public Safety, however, these buildings are owned and operated under Facilities Management. They are highlighted separately to maintain inventory tracking.
(2) 2012 - Facilities Management transferred from the Department of Transportation to the Department of Administrative Services in 2012. Facilities Management's 2012 balances are being shown as per the appropriate documents; however, 2008-2011 data is being presented as per previous statistical sections in Public Works. The actual inventory numbers still reside in Public Works data.
(3) 2012 - Increase due to updated data from Department.
(4) 2011 - Reclass of CATC Buildings from 1 to 6 separate buildings and reclass of City Campus from 1 to 4 buildings and recognition that Gamex buildings were sold to UWM.
(5) 2012 - Increase due to buildings available for use from the 440th Air Force Reserve Station. Acquisition made in 2010
(6) 2013 - Reclass of farm items from House of Correction to Parks.
(7) 2014 - Mowers and Attachments increased for Parks due to new purchases from bonds issuance.
(8) 2015 - All Landscape Services buildings and Grant Park Life Station are destroyed.
(9) 2015 - Water Tower was destroyed.
(10) 2015 - Office of Emergency Management became a separate department. Previously, was a part of Human Services and Sheriff departments.
(11) 2016 - Reclassified within the department and 1 transferred to Public Safety - Medical Examiner.
(12) 2016 - Reclassified within the department, 2 new, 2 transferred from DHHS, and 5 sold.
(13) 2016 - 1 new, 1 transferred from Airport, and 1 previously excluded.
(14) 2016 - Reclassified within the department.
(15) 2016 - Reclassified within the department, 9 new, 1 transferred to Airport, 6 transferred from Airport, and 1 demolished.
(16) 2016 - Reclassified within the department, 2 transferred to Facilities Management, 1 transferred from Parks, and 1 previously excluded.
(17) 2016 - Reclassified within the department, 12 new, 6 demolished, and 1 sold.
(18) 2016 - Reclassified within the department, 30 new and 31 demolished, and 1 under construction.
(19) 2016 - Reclassified within the department and 3 demolished.
(20) 2016 - Reclassified within the department, 14 new, 19 demolished, 6 transferred to Public Works, 1 transferred from Public Works, and 1 transferred to Sheriff.
(21) 2017 - 2 new and 1 demolished.
(22) 2017 - 17 new, and 1 demolished.
(23) 2017 - 12 new.
(24) 2017 - 1 new and 1 sold.
(25) 2017 - Reclassified within the department, 68 new, 18 demolished, and 2 sold.
(26) 2017 - 3 new and 1 demolished.
(27) 2017 - 20 new and 1 demolished.
(28) 2017 - Reclassified within the department, 70 new, 19 sold, and 1 demolished.
(29) 2017 - 18 snow plows disposed.
(30) 2018 - Reclassified within the department and 1 transferred to Office of Emergency Management.
(31) 2018 - 3 new, 2 transferred from Parks, 1 transferred from Facilities Management, and 1 transferred from House of Corrections.
(32) 2018 - Reclassified within the department.
(33) 2018 - Reclassified within the department, 11 new, 8 demolished, 2 transferred to Office of Emergency Management and 1 transferred to Public Schools.
(34) 2018 - Reclassified within the department, 8 new, and 5 demolished.
(35) 2018 - Reclassified within the department and 21 new.
(36) 2018 - Reclassified within the department, 45 new, 1 demolished, 1 sold, and 1 combined with another building.

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# APPENDIX B

## FORMS OF LEGAL OPINIONS OF CO-BOND COUNSEL

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[Form of Bond Counsel Opinion]

October 2, 2019

Re: Milwaukee County, Wisconsin ("Issuer")
$21,115,000 General Obligation Refunding Bonds, Series 2019A,
dated October 2, 2019 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on October 1 of each year, in the years and principal amounts as follows:

| Year | Principal Amount | Interest Rate |
|---|---|---|
| 2020 | $1,045,000 | 5.00% |
| 2021 | 1,685,000 | 5.00 |
| 2022 | 3,185,000 | 5.00 |
| 2023 | 3,365,000 | 5.00 |
| 2024 | 3,665,000 | 5.00 |
| 2025 | 3,935,000 | 5.00 |
| 2026 | 4,235,000 | 5.00 |

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2020.

The Bonds are not subject to optional redemption.

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.

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

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

[Form of Bond Counsel Opinion]

October 2, 2019

Re: Milwaukee County, Wisconsin ("Issuer")
$520,000 Taxable General Obligation Refunding Bonds, Series 2019B,
dated October 2, 2019 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are numbered from R-1 and upward; mature on October 1, 2020 and bear interest at the rate of 2.125% per annum. Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2020.

The Bonds are not subject to optional redemption.

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.

3. The interest on the Bonds is included for federal income tax purposes in the gross income of the owners of the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

[Form of Bond Counsel Opinion]

October 2, 2019

Re: Milwaukee County, Wisconsin ("Issuer")
$8,535,000 General Obligation Promissory Notes, Series 2019C,
dated October 2, 2019 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on August 1 of each year, in the years and principal amounts as follows:

| Year | Principal Amount | Interest Rate |
|---|---|---|
| 2020 | $825,000 | 1.00% |
| 2021 | 830,000 | 0.05 |
| 2022 | 860,000 | 0.05 |
| 2023 | 860,000 | 2.00 |
| 2024 | 860,000 | 2.00 |
| 2025 | 860,000 | 2.00 |
| 2026 | 860,000 | 0.05 |
| 2027 | 860,000 | 3.00 |
| 2028 | 860,000 | 4.00 |
| 2029 | 860,000 | 3.00 |

Interest is payable semi-annually on February 1 and August 1 of each year commencing on February 1, 2020.

The Notes are not subject to optional redemption.

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or

amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

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

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

# APPENDIX C

## FORMS OF CONTINUING DISCLOSURE CERTIFICATES

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# CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Milwaukee County, Wisconsin (the "Issuer") in connection with the issuance of $21,115,000 General Obligation Refunding Bonds, Series 2019A, dated October 2, 2019 (the "Securities"). The Securities are being issued pursuant to a Resolution adopted by the Governing Body of the Issuer on March 21, 2019 (the "Resolution") and delivered to Fifth Third Securities, Inc. (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the final Official Statement dated September 12, 2019 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the County Board of Supervisors of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means Milwaukee County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Capital Finance Manager of the Issuer who can be contacted at the Office of the Comptroller, Milwaukee County Courthouse, Room 301, 901 North Ninth Street, Milwaukee, Wisconsin 53233, phone (414) 278-4396, fax (414) 223-1245.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 270 days after the end of the Fiscal Year, commencing with the year that ends December 31, 2019, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

DEBT STRUCTURE - General Obligation Debt by Issue
FINANCIAL INFORMATION - Equalized Value Trends
FINANCIAL INFORMATION - Property Tax Levies and Collections

FINANCIAL INFORMATION - Property Tax Rates for County Levies
FINANCIAL INFORMATION - Five-Year Summary of Revenues, Expenditures and Changes in Fund Balance - General Fund

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

7. Modification to rights of holders of the Securities, if material;

8. Securities calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 2nd day of October, 2019.

_____
Chairperson of the County Board

_____
County Clerk

Approved as to Form:

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Corporation Counsel

Countersigned:

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County Executive

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Comptroller

# CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Milwaukee County, Wisconsin (the "Issuer") in connection with the issuance of $520,000 Taxable General Obligation Refunding Bonds, Series 2019B, dated October 2, 2019 (the "Securities"). The Securities are being issued pursuant to a Resolution adopted by the Governing Body of the Issuer on March 21, 2019 (the "Resolution") and delivered to Hutchinson, Shockey, Erley & Co. (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the final Official Statement dated September 12, 2019 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the County Board of Supervisors of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means Milwaukee County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Capital Finance Manager of the Issuer who can be contacted at the Office of the Comptroller, Milwaukee County Courthouse, Room 301, 901 North Ninth Street, Milwaukee, Wisconsin 53233, phone (414) 278-4396, fax (414) 223-1245.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 270 days after the end of the Fiscal Year, commencing with the year that ends December 31, 2019, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

DEBT STRUCTURE - General Obligation Debt by Issue
FINANCIAL INFORMATION - Equalized Value Trends
FINANCIAL INFORMATION - Property Tax Levies and Collections

FINANCIAL INFORMATION - Property Tax Rates for County Levies
FINANCIAL INFORMATION - Five-Year Summary of Revenues, Expenditures and Changes in Fund Balance - General Fund

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

7. Modification to rights of holders of the Securities, if material;

8. Securities calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 2nd day of October, 2019.

_____
Chairperson of the County Board

_____
County Clerk

Approved as to Form:

_____
Corporation Counsel

Countersigned:

_____
County Executive

_____
Comptroller

# CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Milwaukee County, Wisconsin (the "Issuer") in connection with the issuance of $8,535,000 General Obligation Promissory Notes, Series 2019C, dated October 2, 2019 (the "Securities"). The Securities are being issued pursuant to Resolutions adopted by the Governing Body of the Issuer on February 7, 2019 and March 21, 2019 (collectively, the "Resolution") and delivered to Hutchinson, Shockey, Erley & Co. (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the final Official Statement dated September 12, 2019 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the County Board of Supervisors of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means Milwaukee County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Capital Finance Manager of the Issuer who can be contacted at the Office of the Comptroller, Milwaukee County Courthouse, Room 301, 901 North Ninth Street, Milwaukee, Wisconsin 53233, phone (414) 278-4396, fax (414) 223-1245.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 270 days after the end of the Fiscal Year, commencing with the year that ends December 31, 2019, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

DEBT STRUCTURE - General Obligation Debt by Issue
FINANCIAL INFORMATION - Equalized Value Trends
FINANCIAL INFORMATION - Property Tax Levies and Collections

FINANCIAL INFORMATION - Property Tax Rates for County Levies
FINANCIAL INFORMATION - Five-Year Summary of Revenues, Expenditures and Changes in Fund Balance - General Fund

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

7. Modification to rights of holders of the Securities, if material;

8. Securities calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 2nd day of October, 2019.

_____
Chairperson of the County Board

_____
County Clerk

Approved as to Form:

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Corporation Counsel

Countersigned:

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County Executive

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Comptroller