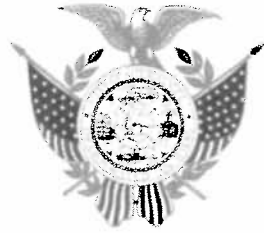


**Martin Matson**  
Comptroller

**John M. Egan, CPA**  
Deputy Comptroller



**Glenn Steinbrecher, CPA**  
Special Deputy Comptroller

**Toni Biscobing**  
Special Deputy Comptroller

**Office of the Comptroller**

August 21, 2013

The Honorable Common Council  
City of Milwaukee  
City Hall – Room 205  
Milwaukee, WI 53202

RE: Inventory Reserve Report

Dear Council Members:

Section 304-29-4-f of the Milwaukee Code requires that the Comptroller provide the Common Council with a separate report of adjustments for inventory reserve made to the Reserve for Tax Stabilization. Attached is a copy of the *Schedule of Inventory Balances and Adjustments to the Inventory Reserve and Reserve for Tax Stabilization* for fiscal year end 2012.

Inventory items are purchased and retained as assets of the City of Milwaukee. Since inventory items are not recorded as expenditures of the City until they are used by an operating department they are reserved and segregated as a portion of the Tax Stabilization Balance.

For 2012, the attached schedule details an increase in General Fund inventories of \$971,636.77. This increase is also reflected in the Reserve for Inventory which offsets the value of the inventory balance. The increase in the inventory reserve allows the portion on the restricted fund balance to be released from the unreserved fund balance resulting in a decrease in the Tax Stabilization Fund of \$971,636.77.

This office will gladly assist with any general questions regarding this schedule; however, detailed questions pertaining to individual balances may be better directed to appropriate departments.

Sincerely,

Martin Matson  
Comptroller

MM: BL:

Attachments (2)

- Communication Resolution
- Schedule of Inventory Balances

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