



# **Annual Comprehensive Financial Report**

## **City of Milwaukee, Wisconsin**

**for the Year Ended December 31, 2024**

**Office of the Comptroller**

**Bill Christianson  
Comptroller**

CITY OF MILWAUKEE  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
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# INTRODUCTORY SECTION

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July 25, 2025

Honorable Cavalier Johnson, Mayor  
Members of the Common Council  
and the Citizens of the City of Milwaukee

Dear Mayor, Council Members, and Citizens:

I am pleased to present the Annual Comprehensive Financial Report of the City of Milwaukee (the "City") for the fiscal year ended December 31, 2024. This report is prepared to satisfy the City Charter requirement for the Office of the Comptroller to prepare an annual statement of revenues and expenditures and the Common Council's request for an independent examination of financial activity of the City of Milwaukee. The report was prepared by the Office of the Comptroller in conformity with accounting principles generally accepted in the United States of America ("GAAP") as set forth by the Governmental Accounting Standards Board ("GASB") and other authoritative accounting standard setting bodies. This report presents the financial position of the City of Milwaukee and its component units separately. The Annual Comprehensive Financial Report reflects the actual financial activity of the past year rather than proposed activity for a future year, as presented in the City's annual budget.

This Annual Comprehensive Financial Report consists of management's representation concerning the finances of the City of Milwaukee. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Milwaukee and the component units are responsible for establishing and maintaining an internal control structure designed to ensure that the assets entrusted are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this Annual Comprehensive Financial Report is complete and reliable in all material respects.

An independent firm of licensed certified public accountants, Baker Tilly US, LLP, has audited the City of Milwaukee's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Milwaukee for the fiscal year ended December 31, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Milwaukee's financial statements for the fiscal year ended December 31, 2024, are fairly presented in conformity with GAAP.

The GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* requires that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of a Management's Discussion & Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the report of the independent auditors.

The Annual Comprehensive Financial Report is presented in three sections. The **Introductory Section** includes a list of principal officials, an organizational chart, and this letter of transmittal, which highlights significant aspects of the City and particular financial issues. The **Financial Section** includes the independent auditors' report, the MD&A, the basic financial statements (government-wide statements and fund statements), notes to the financial statements, required supplementary information, combining financial statements and other financial schedules. The **Statistical Section** includes exhibits and tables of unaudited data depicting the financial history of the City, as well as demographic and other miscellaneous statistics, generally presented on a multi-year basis.

## THE REPORTING ENTITY AND ITS SERVICES

The City of Milwaukee was incorporated as a city on January 31, 1846, pursuant to the laws of the territory of Wisconsin. The City, in operation under a Home Rule Charter since 1874, provides for a council-mayor form of government. The Mayor, Comptroller, Treasurer, City Attorney, and 15 Common Council members are elected officials of the City. Local elections are nonpartisan. Officials are elected to identical four-year terms. The most recent City of Milwaukee general election for these positions was held in April 2024. The Mayor is the Chief Executive Officer and maintains a cabinet form of government controlling major City departments by appointing department heads subject to confirmation by the Common Council. The Mayor is responsible for the preparation of an annual City expenditure budget, subject to review and adoption by the Common Council. The Common Council is responsible for the management and control of the finances and property of the City and has the full power and authority to establish, enforce, and modify all regulations for the government. The Comptroller, as the Chief Financial Officer for the City, is responsible for establishing City accounting policies and procedures, revenue estimating and monitoring, examination and investigation of all matters related to the finances of the City, issuance of debt, and financial reporting. The City Treasurer is responsible for the receipt, disbursement, and investment of all monies accruing to the City, including the collection of property taxes. The City Attorney is responsible for all legal matters of the corporation, including furnishing legal opinions, drafting all legal documents and defending the City in any legal actions.

The City of Milwaukee provides a full range of municipal services, including police and fire protection, sanitation, health, culture and recreation, public works, conservation and development and administrative support services. Also included in this report are the proprietary operations of the Metropolitan Sewerage District User Charge, Port, Sewer Maintenance, Transportation, and Water Works. These activities are under the direct oversight responsibility of the Mayor and Common Council and constitute the primary governmental functions of the City of Milwaukee. In addition, entities for which the City has financial accountability or for which the nature and significance of their relationship with the City would cause these financial statements to be misleading or incomplete, known as component units, are a part of the reporting entity. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The following organizations are reported as discretely presented component units for fiscal year 2024: Redevelopment Authority of the City of Milwaukee and the Neighborhood Improvement Development Corporation.

The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions of the annual budget adopted by the Common Council of the City of Milwaukee. Activities of the general, grant and aid fund, economic development fund, settlement fund and proprietary fund types (exclusive of the component units) are included in the City's annual budget. Annually, the Mayor submits his proposed Executive Budget to the Common Council. The City Charter requires this submittal on or before September 28<sup>th</sup>. The Common Council must complete its review and adopt the budget on or before November 14<sup>th</sup>. The component units' respective Boards approve their separate budgets. Once adopted, a department's total appropriation cannot be amended without Common Council approval. Budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the object class level (i.e., salaries, operating expenditures, equipment) for each department. The budgetary control for capital and certain special revenue funds is set over the life of the project rather than the current fiscal year. The General Obligation Debt Service Fund uses a non-appropriated budget. The City of Milwaukee maintains an encumbrance accounting system as an additional method of accomplishing budgetary control. Budget-to-actual comparisons for the general fund, are provided in the Required Supplemental Information section of this report.

## LOCAL ECONOMY

Geographically, Milwaukee consists of 96.9 square miles and is situated in the southeast corner of the state with Lake Michigan at its east boundary. It is located approximately 75 miles east of the state capital, Madison, WI. It is the 31st largest city in the United States with a 2024 Wisconsin Department of Administration estimated population of 575,385. Milwaukee is the largest city, by population, and the only city of the First Class within the State of Wisconsin. Milwaukee is the main cultural and economic center of the combined population of 2.05 million for the Milwaukee-Racine-Waukesha combined statistical area.

The City's economic structure reveals a diversified economy with strong service and manufacturing sectors. The area is not dominated by any large employers. Less than two percent of employers in the manufacturing sector have employment levels greater than 500 employees. Less than one percent of the employers in finance and insurance, health care, or professional services have more than 500 employees.

Milwaukee is the economic hub of the southeast region and entire State of Wisconsin. It is a premier center for advanced manufacturing, fresh water research and development, clean and green technology, health care, biomedical technology and financial services. These core industries spur innovation, business formation and growth, a strong and growing entrepreneurial climate, and provide a boost to Milwaukee's national and global competitiveness. Milwaukee's transportation system is a gateway for tourism, conventions, commerce, business growth and economic development.

Once known almost exclusively as a manufacturing and brewing powerhouse, Milwaukee's economy has changed with the national shift to a service based economy. In the past few decades, major new additions to the City include the Milwaukee RiverWalk, the Baird Center, American Family Field, the Fiserv Forum, the Calatrava (an internationally renowned addition to the Milwaukee Art Museum) and Pier Wisconsin. Many new lofts and apartments have been completed or are under construction in neighborhoods on and near the lakefront and riverbanks.

Milwaukee plays an important role in international and domestic trade. Of vital importance to the local, state and regional economies, Port Milwaukee is an international seaport providing transportation and distribution services to commercial businesses in the area. With access to the Gulf of Mexico through the Inland River System and the eastern seaboard via the Great Lakes St. Lawrence Seaway, Port Milwaukee serves as a transportation and logistics hub, supporting commerce throughout the surrounding region. Port Milwaukee processed 2.23 million metric tons of cargo in 2024. Principal inbound commodities included cement, machinery, steel, salt, and limestone. Outbound commodities included bottom ash, cement, bio-diesel, ethanol, butane, wheat, corn and soybeans. Commodities are transported via vessel, truck, and rail. The port is served by the Union Pacific and Canadian Pacific Kansas City railways, along with convenient access to the interstate highway system. Port Milwaukee is home to more than 20 tenants operating various businesses connected to the movement of commercial cargoes. Tenants also include government agencies like the U.S. Coast Guard and U.S. Naval Reserve, who serve as partners in harbor security operations. Commercial tenants include terminal operators, stevedores, trucking companies, and liquid bulk companies.

Economic development is encouraged to promote the growth of employment opportunities for the residents of Milwaukee and support private investment to grow the City's tax base. Four key development approaches are utilized: 1) direct financial assistance to small businesses that helps owners take advantage of opportunities to increase sales and employment; 2) use of tax incremental financing to provide public infrastructure improvements or other assistance to encourage private investments that will increase the tax base, employment, affordable housing, or availability of commercial services in underserved areas; 3) partnerships with organizations that improve the business environment, either in a particular geographic area or a particular industry segment; and 4) management of projects to redevelop underutilized or vacant properties for eventual sale to private owners.

The City takes an active role in guiding economic development to serve the community in a number of ways: The City manages programs intended to assist in local business retention efforts, provides permit assistance to new businesses, and seeks out appropriate sites for these businesses. As of December 31, 2024 the City managed 52 active Business Improvement Districts, 10 Neighborhood Improvement Districts, 65 Tax Incremental Districts and various development projects promoting urban renewal throughout the City. The City of Milwaukee collaborates with surrounding governmental jurisdictions to promote economic development. The long term benefit of these efforts is to create economic growth and expand the tax base in the City. Future tax abatement payments related to these programs total \$177 million as depicted in Note 14.

The City of Milwaukee continues to provide new and enhanced transportation options. The Streetcar's new Lakefront Line has a nearly 2-mile route that fully opened to the public in April 2024. The new line connects the existing Streetcar line to Milwaukee's lakefront, which increases accessibility to Henry Maier Festival Park, Milwaukee Art Museum, Discovery World, and Veterans Park. Additionally, the City of Milwaukee has added to its bike infrastructure and now has over 165 miles of bike lanes, including protected bike lanes, buffered bike lanes, and bike boulevards. There were 5.3 miles in 2024, with another 13 miles planned in 2025.

As part of the City of Milwaukee's commitment to safer streets, 34 traffic calming projects were completed in 2024. This work includes raised crosswalks near schools, concrete curb extensions, bus bulbs, speed humps, and traffic circles made possible with a combination of direct City and Tax Incremental District financing funding alongside state, federal, and American Rescue Plan Act grants. The pace of work is accelerating with plans to construct 60 traffic calming projects in 2025.



Downtown has had a building boom over the last decade. In 2020, BMO Harris Bank completed a new 25-story office tower in the heart of downtown. Northwestern Mutual changed the City's skyline with the construction of a 32-story office tower in 2017 and completed a 33-story upscale apartment tower soon after. The office tower, at one million square feet, is the largest office structure in the State of Wisconsin. Northwestern Mutual is currently undertaking a \$500 million renovation to its North Office Building adjacent to the recently constructed office tower, which is expected to bring an estimated 2,000 additional employees downtown by 2030. Other significant corporate relocations into Downtown include Regal Rexnord officially moving their headquarters to downtown Milwaukee in 2023 and Milwaukee Tool's expansion to host 1,210 corporate employees by 2026. Fiserv formally opened their global headquarters in Downtown Milwaukee in March 2024. The Fortune 500 Company has called Wisconsin home for over 40 years, and the new state of the art campus reaffirms their commitment to the City of Milwaukee.

The 2021 NBA champion Milwaukee Bucks franchise has driven development with their new arena, the Fiserv Forum, and the Deer District, an entertainment destination adjacent to the arena featuring an outdoor plaza and many food and beverage establishments. The Deer District continued expansion with the construction of The Trade, a new 207 room hotel just steps away from the Fiserv Forum. The Trade opened its doors in May 2023 and the operator is currently proposing an additional 162 room hotel within a block of the Fiserv Forum. Additionally, FPC Live broke ground on a 4,500-person concert venue in May 2024. The venue is currently under construction and expected to be completed in fall of 2025; it will be located on Vel R. Philips Avenue across Highland Avenue from the Fiserv Forum.

Two all new high-rises, known as the Couture and 333 Water finished construction in 2024. The Couture is a 44-story skyscraper that features 312 apartments as well as restaurants, retailers, 1,100 new parking spaces, and the final stop of the Lakefront Line of the City of Milwaukee's Streetcar. The \$188 million mixed-use development created an estimated 2,000 jobs which, similar to other downtown projects, emphasized the hiring of City residents. 333 Water is a 31-story mixed-use tower situated in the city's Third Ward and provides 333 new apartments for the downtown region.

ThriveOn King Drive is a \$105 million mixed-use development that opened in June 2024 in the Bronzeville neighborhood. This former 400,000 square foot department store holds an early childhood education space, 90 residential units, and a first-floor community space. Additionally, this space will host headquarters offices for major Milwaukee institutions such as the Medical College of Wisconsin and the Greater Milwaukee Foundation.

The Wisconsin Center District completed expansion and renovation of the state's largest convention center in May 2024. This phase brought the total exhibition hall space of the Baird Center to 300,000 contiguous square feet, as well as 24 new meeting rooms and a ballroom with seating for 2,000. In 2024, the Baird Center hosted the Republican National Convention displaying its capabilities and acting as a catalyst for future convention bookings. The Baird Center is projected to stimulate at least \$12.6 billion in total spending in the state over 30 years.

Vel R. Philips Plaza is a 30,000 square foot public plaza opened in June 2024 on Wisconsin Avenue across from the Baird Center. It features a food and beverage retail space, garden, public art installations, and flexible space for events. The plaza was designed to accommodate a future expansion of the Streetcar and includes a new bus rapid transit station. The final public art installation by Karyn Olivier will be completed in 2026.

A \$220 million mixed-use development known as the Iron District, first proposed in 2022, is continuing to move forward. This new district is taking shape to the southwest of the intersection of W. Michigan Street and N. 6th Street, revitalizing an area on the periphery of downtown that had not seen the rapid pace of development found in more central locations. The entire project includes an 8,000 seat soccer stadium, a 140 room hotel, two apartment buildings, retail stores, bars, and restaurants. The development team has already completed a 99-unit apartment building in 2024 and has secured a \$9.3 million grant from the State of WI towards construction of the \$75 million stadium that is looking to break ground in summer 2025. In addition to hosting the City's new professional soccer team, the sports complex will also be home to Marquette University's Men's and Women's soccer teams as well as the Marquette lacrosse programs. The new professional outdoor soccer team will compete in the USL Championship League and will mark the return of professional outdoor soccer in Milwaukee for the first time since 2004.

The Nature & Culture Museum of Wisconsin broke ground on a brand new 200,000 square foot building inspired by Wisconsin geological formations found at Mill Bluff State Park. The project is expected to finish exterior construction by the end of 2025 and be open to the public in early 2027. This will offer a modern museum experience, while also exhibiting the collections of the Milwaukee Public Museum, and will be in a new downtown location separate from the current building, moving to 6th Street across from the Deer District. The current location will remain open to the public during construction, and the new museum is expected to bring in 5.5 million visitors within the first decade.

The MLK Library Apartments project is redeveloping the site of a former library on the corner of Locust Street and Martin Luther King, Jr. Drive and the adjacent historic Garfield Theatre. Once completed, this newly built development will include a 17,000 square foot library with modern technology and green features such as geothermal heating, solar panels, and a green roof. Above the library will be three stories of apartments, offering 93 units spread across 3 buildings, including eight live/work units. The theater has its exterior façade restored along with its trademark marquee. In an effort to bring more affordable housing options to the current neighborhood's population, 20% of the units will be prioritized for people that already live in the area. In addition, units will be set aside for those in need of supportive housing as well as veterans. As of May 2025, the project is nearing completion and has recently begun leasing the apartments.

The City continues to progress in strengthening its neighborhoods. In 2024, City resources contributed to the creation of 382 new affordable housing units, improvements to 91 existing housing units through the Home Rehab and Strong Homes Loan Programs, and provided \$1.9 million to support 312 individuals achieve homeownership through the Homebuyer Assistance and Down Payment Assistance Programs. Development and rezonings approved by the City Plan Commission during the past 12 months are anticipated to bring a further 700 new homes to the City, including approximately 300 affordable housing units, and add an estimated \$100 million to the tax base.

The City's Commercial Corridor team provided 94 revitalization grants totaling more than \$1.7 million to business and commercial property throughout the City in 2024. This funding leveraged additional investments by business and property owners to invest more than \$5.8 million in their properties or commercial spaces. These investments helped launch 45 new businesses, expand 35 businesses, and improve 14 business sites.

Tourism is also a major contributor to the local economy. Milwaukee's arts, entertainment, professional sports, restaurants, parks, conventions, and businesses attract millions of visitors a year. There are 20 major annual festivals hosted in Milwaukee. Summerfest is promoted as the world's largest music festival and attracts hundreds of thousands of attendees across three summer weekends. Milwaukee's ethnic festivals include Mexican Fiesta, Polish Fest, Festa Italiana, Incredible India Festival, Black Arts Fest MKE, the Puerto Rican Festival of Wisconsin, North America's largest German Fest, and Irish Fest, the world's largest Irish music festival. Milwaukee also hosts other large events such as Harley Fest with approximately 60,000 attendees and PrideFest with nearly 44,000 in attendance.

Great Lakes cruising continues to strengthen Port Milwaukee's tourism business. With 27 vessel visits representing 55 trips, there were 13,568 cruise passengers who visited Milwaukee in 2024; the port has positioned itself as a premier turnaround for cruise tourism. Future support for Great Lakes cruising includes plans for a new Seawaymax cruise dock. Construction of the new dock will begin in 2025 and will be located at the southern tip of the harbor near the Bay View neighborhood. The new South Shore Cruise Dock will be built to accommodate the largest international cruise vessels built to operate on the Great Lakes.

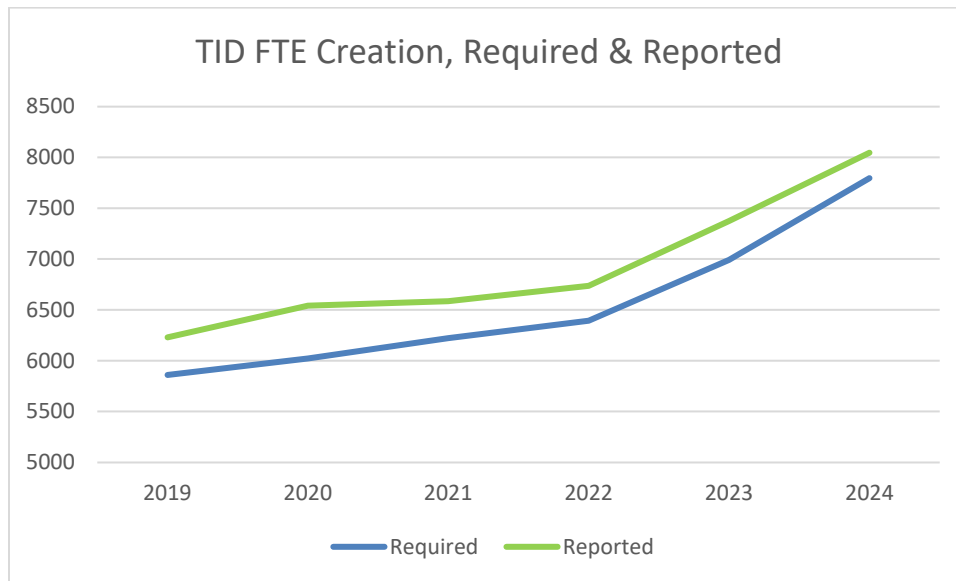
The educational opportunities in Milwaukee offer a wide variety of choices within the City. The City's educational institutions include Alverno College, Marquette University, the Medical College of Wisconsin, Milwaukee Area Technical College, Milwaukee Institute of Art & Design, Milwaukee School of Engineering, Mount Mary University, University of Wisconsin-Milwaukee, and Wisconsin Lutheran College.

## **TAX INCREMENTAL DISTRICTS (TIDs)**

Wisconsin State Statue Section 66.1105 gives the City of Milwaukee (City) the authority to create Tax Incremental Financing (TIF) districts. TIF is an economic development tool used by the City to leverage private development investment. The TIF process allows a municipality to pay for public improvements and other eligible costs within a designated area. These designated areas or TIDs, use future taxes collected on the districts increased property value to repay the cost of loans, or grants to developers on projects. TIDs allow for projects to attract businesses, build affordable housing, and preserve historic structures, which are aligned to the City of Milwaukee's 'Growing Prosperity Economic Development Action Agenda', 'Collective Affordable Housing Strategic Plan', 'Anti-Displacement Plan', Area Plans, and 'Connec+ing MKE: Downtown Plan'. They are monitored and enforced by the Department of City Development (DCD). In 2025, the DCD has drafted an update of Milwaukee's Comprehensive plan known as Housing Element, which is the result of a citywide planning initiative to support Milwaukee's evolving housing needs.

Tax abatements are accounted for in the annual calculation of the property tax mill rate and are approved in the annual budget. In the past 5 years, the City of Milwaukee has approved 10 grants and 19 developer-financed projects totaling \$151 million. The return on the City's investment in TIDs is demonstrated by the growth in the assessed value of the TID after investment versus the base value of the TID. The Financial Statements and Supplementary Schedules TIDs report for 2024 is located here: ['Tax Incremental Districts 2024 Report'](#) Detailed documents related to the TIDs and their associated adoption dates are located here: [City of Milwaukee - Legistar](#)

The below chart demonstrates additional non-financial benefits with full-time equivalent (FTE) employees required versus reported for TIDs from 2019 through 2024.



## ECONOMIC OUTLOOK

For the year 2024, the City's unemployment rate averaged approximately 4.2% (see Table 13 in Statistical Section); compared to the State of Wisconsin average of 3.0% (from Wisconsin Department of Revenue) and the United States average of 4.0% (from U.S. Department of Labor, Bureau of Labor Statistics).

Retaining the City's high "investment grade" bond ratings is of prime importance and serves to maintain low borrowing costs. The low costs of borrowing, both for capital and cash flow purposes, produces direct benefits to the taxpayer. The City continues to maintain investment grade ratings of A+ from Fitch Ratings, Inc. and A- from S&P Global Ratings. By definition, the bond ratings are a measure of the quality and safety of a bond based on the issuers' financial condition. Rating services perform evaluations on each debt issue to indicate the likelihood that a debt issuer will be able to meet scheduled interest and principal repayments. Typically, AAA is the highest (best) rating with D being the lowest (worst). The A+/A- rating indicates the City's bonds are considered high credit quality investment grade issues. As the ratings indicate, the City has the capacity to meet its financial commitments on outstanding obligations. The rating agencies indicate that the ratings reflect a combination of strong liquidity, rapid debt repayment, manageable capital needs, and a diverse tax base. The City also assists in keeping the overall debt burden affordable by controlling the level of annual debt issued. The City of Milwaukee has never defaulted in the payment of the principal or interest on its debt obligations, nor has the City ever issued any new debt for the purpose of paying the principal or interest on current debt, in an effort to prevent default.

The 2024 City property tax rate for 2025 purposes decreased from \$9.47 to \$8.29 per \$1,000 of assessed value, compared to the prior year. The 2025 budgetary City property tax levy of approximately \$324.2 million represents a \$6.5 million increase compared to \$317.7 million in 2024. The estimated assessed value used for 2025 budget purposes has increased ~17% from 2024 to 2025, currently at approximately \$40 billion. Property tax revenue funding as a portion of total General Fund budgetary expenditures for 2024 was 22.2% compared to 30.3% for 2023 as depicted in Exhibit E-1; this also represents a significant drop against the 5 year average of 30.5%. Property tax increases are limited by state legislation, however, the City sales tax authorized by state legislation to start in 2024, has allowed a lower reliance on the property tax and greater diversification of City funding sources.

The 2025 budget estimates intergovernmental revenues of \$305.5 million which is an increase of \$10.2 million from 2024. The largest amount of state aids comes in the form of state Shared Revenue. It is expected to be \$246.2 million in 2025, which is an increase of \$4.9 million from 2024. The state Transportation Aids (the second largest category) total \$30.1 million for 2025, a \$228 thousand increase from 2024. Another large state aid is the Expenditure Restraint Incentive Program payment. The intent of this program is to reward communities who control their General Fund expenditures and is estimated to be \$9.8 million in 2025. Due to stagnant or declining state aids in recent years, revenue diversification and enhancement are essential to retaining existing service levels. However, state restrictions on the type of charges for service that are available to municipalities erode the ability to diversify revenue. The two largest 2025 revenues in the Charges for Services category are the solid waste fee, including the extra cart fee, of \$50.2 million and the storm water management charges for services to the sewer fund of \$25.4 million. The snow and ice fee is estimated in 2025 to generate \$11.3 million. The street lighting fee is estimated to generate \$9.9 million in 2025. Total Charges for Services are estimated to increase by \$8.6 million to \$155.7 million in 2025.

The City remains in good financial condition, as is depicted in Note 9 of the Notes to the Financial Statements. The General Fund maintains a Reserve for Tax Stabilization (a fund balance account) that accumulates the net of revenues and other financing sources less expenditures and other financing uses, and, less other fund reserves. In 2024, this reserve has a year-end balance of \$142 million compared to \$65 million for 2023. The 2025 budget reflected a withdrawal of \$32.3 million from the Tax Stabilization Fund.

## **MAJOR CAPITAL PROJECTS**

The 2025 capital budget includes funds for various infrastructure and building projects. For 2025, the City capital improvements budget, not including proprietary funds and grants and aid funding, totals \$218.7 million, an increase of 11% or \$21.8 million from the 2024 budget of \$196.9 million. Funding of \$53.2 million for various tax incremental districts and development projects comprises 24% of the total capital budget for 2025. The Department of Public Works budget for bridges (\$11.1 million), street/paving construction (\$67.6 million), various building, equipment and forestry projects (\$21.9 million) with a total of \$95.1 million or approximately 48% of the total 2024 capital budget. Police projects (\$20.8 million), Fire projects (\$6.3 million), and Library projects (\$3.5 million) in the aggregate total \$30.6 million or 16% of the total capital budget. Some major projects planned for 2025 include improving the useful life of 107 lane miles of streets and funding for 3,500 lead water service line replacements. The City has a Capital Improvements Committee to provide a continuing analysis and public focus on the City's investment and management of its public facilities and networks.

The City continued its use of the State of Wisconsin's Safe Drinking Water and Clean Water Funds to finance water and sewer system capital projects. Clean Water Fund loans of \$3.9 million were obtained during 2024, compared to \$34.4 million in 2023 for sewer projects. Safe Drinking Water loans of nearly \$20.5 million were obtained during 2024 compared to \$3.7 million in 2023 for water projects. The Clean Water Fund and Safe Drinking Water Loan programs provide below market interest loans to communities to finance storm-water control projects and drinking water projects.

## **CASH MANAGEMENT**

Cash temporarily idle during the year and under the control of the City Treasurer was invested in demand deposits, certificates of deposit, and repurchase agreements (all of which are permissible under state statutes). The average interest earnings rate for City funds on short-term investments by the City Treasurer was 5.27% in 2024 compared to 5.13% in 2023. The City's long-term pooled cash investment program is in accordance with state statute 66.0603 and earned an annualized net investment rate of return of 2.00% on about \$17.1 million in investments.

## **AWARDS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City in connection with its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2023, which was the City's third year in a row receiving the award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR 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 Office of the Comptroller takes great pride in the preparation of this report. The professionalism, commitment, and effort of each member of its General Accounting Division have made this presentation possible. The timely preparation of this report could not have been accomplished without the cooperation, dedication, and extensive involvement of the entire staff of the Office of the Comptroller and the able assistance of our independent auditors, Baker Tilly US, LLP, as well as the accounting personnel of our component units. Special commendation and appreciation should be accorded to the dedicated staff of the Comptroller's Office in the preparation of this Annual Comprehensive Financial Report. In addition, I convey my appreciation to you and members of your respective staffs for your interest and support in planning and conducting the fiscal affairs of the City throughout the past year. The City will continue to remain fiscally sound through our cooperative efforts.

Sincerely,



Bill Christianson, CPFO  
Comptroller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Milwaukee  
Wisconsin**

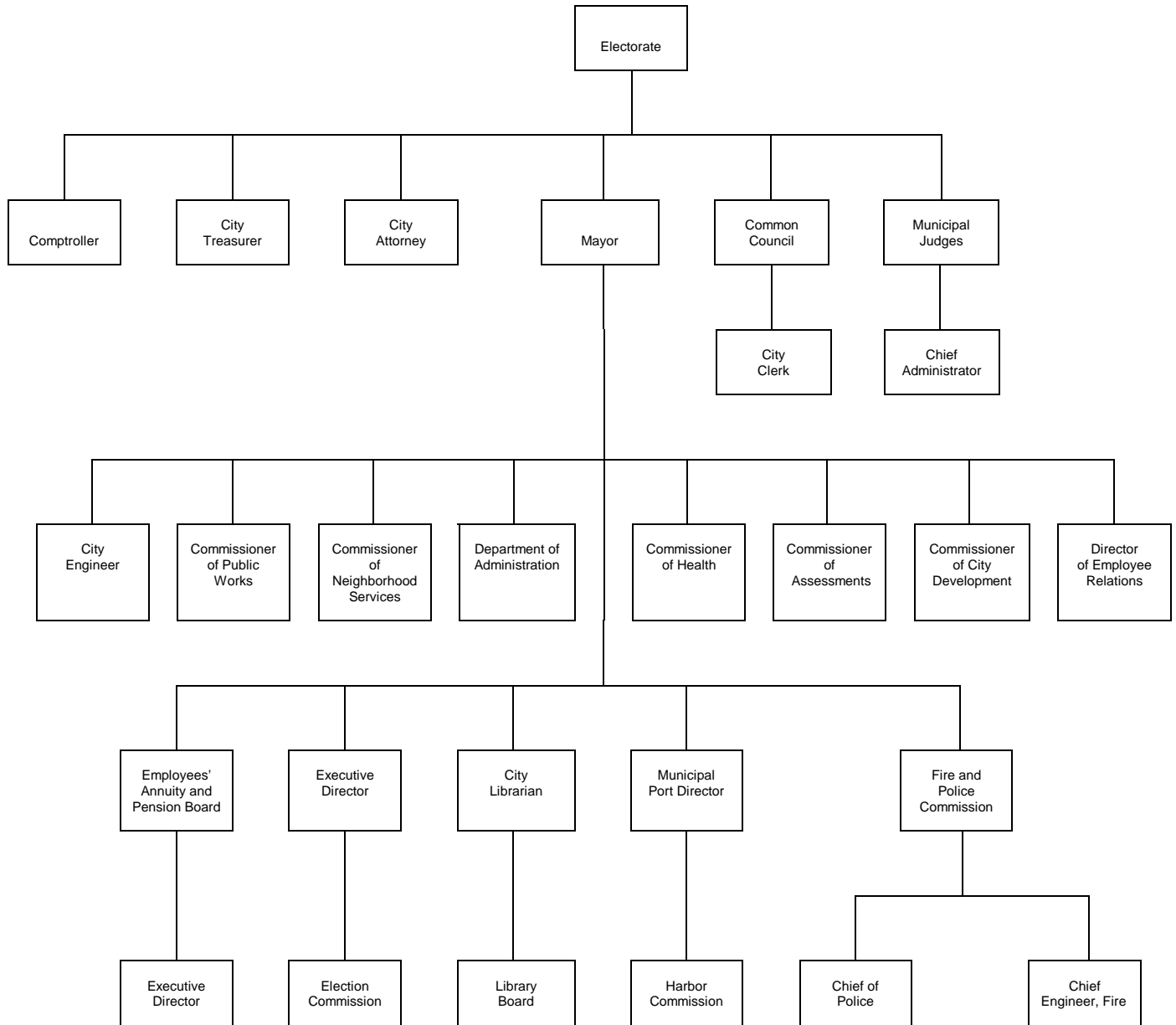
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2023

*Christopher P. Morill*

Executive Director/CEO

CITY OF MILWAUKEE  
**ORGANIZATION CHART**  
 DECEMBER 31, 2024



CITY OF MILWAUKEE  
**NAMES OF PRINCIPAL OFFICIALS**  
DECEMBER 31, 2024

**ELECTED**

Mayor .....	Cavalier Johnson
Comptroller .....	Bill Christianson
City Treasurer .....	Spencer Coggs
City Attorney .....	Evan Goyke
Municipal Judge .....	Phillip M. Chavez
Municipal Judge .....	Valarie A. Hill
Municipal Judge .....	Molly Gena

**COMMON COUNCIL**

President .....	Jose G. Perez
-----------------	---------------

**Aldermanic District**

**Alderman**

First .....	Andrea M. Pratt
Second .....	Mark Chambers Jr.
Third .....	Alex Brower
Fourth .....	Robert J. Bauman
Fifth .....	Lamont Westmoreland
Sixth .....	Milele A. Coggs
Seventh .....	DiAndre Jackson
Eighth .....	JoCasta Zamarripa
Ninth .....	Larresa Taylor
Tenth .....	Sharlen P. Moore
Eleventh .....	Peter Burgelis
Twelfth .....	Jose G. Perez
Thirteenth .....	Scott P. Spiker
Fourteenth .....	Marina Dimitrijevic
Fifteenth .....	Russell W. Stamper, II

**FINANCE RELATED (Non-Elected)**

Administration Director .....	Preston D. Cole
Budget & Management Director .....	Nik Kovac
City Purchasing Director .....	Rhonda Kelsey
Commissioner of Assessments .....	Nicole F. Larsen
Chief Information Officer .....	David Henke



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# **F I N A N C I A L S E C T I O N**

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## **Independent Auditors' Report**

To the Honorable Members of the  
Common Council of the City of Milwaukee

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Milwaukee, Wisconsin (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City, as of December 31, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matters***

As discussed in Note 1, the City adopted the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections*, and GASB Statement No. 101, *Compensated Absences*, both effective January 1, 2024. Our opinions are not modified with respect to this matter.

As discussed in Note 15 to the financial statements, net position as of December 31, 2023 has been restated to correct a material misstatement due to an error in the calculation of net pension liability made by the actuary. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules and miscellaneous financial data 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 combining and individual fund statements and schedules and miscellaneous financial data are fairly stated in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the Introductory Section and Statistical Section listed in the accompanying table of contents but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Milwaukee, Wisconsin  
July 25, 2025

CITY OF MILWAUKEE  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (Unaudited)

The Management's Discussion and Analysis (MD&A) section of the City of Milwaukee's (the "City") Annual Comprehensive Financial Report provides narrative discussion and analysis of the financial activities of the City for the fiscal year ended December 31, 2024. The MD&A is an integral portion of the Annual Comprehensive Financial Report and information reported herein should be read in conjunction with the information presented in the letter of transmittal and the accompanying financial statements and disclosures, which follow this section. This section focuses on the City's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

## FINANCIAL HIGHLIGHTS

### Statement of Net Position

- Total net position (assets and deferred outflows of resources less liabilities and deferred inflows of resources) at the close of fiscal year 2024 was (\$616) million, a 28% increase compared to the previous year's restated total of (\$857) million. This increase was related the overall increase in operating revenues over expenditures of \$241 million. Of the (\$616) million net position, (\$1.492) billion of the deficit was related to governmental activities and \$876 million was related to business-type activities. The unrestricted portion of net position, related to governmental activities, totaled (\$2.76) billion. This deficit is caused in part, by the City's significant investments in private-purpose developments, which do not produce any direct financial return to the City. The City is also required to record long-term liabilities for certain future costs rather than recording them when they are payable.
- The vast majority of the City's net position is capital assets, most of which do not generate revenues by their use. Total net position is comprised of the following:
  - Capital assets, including property and equipment, net of related debt and accumulated depreciation: \$1.913 billion.
  - Restricted net position, limited by constraints imposed externally such as debt covenants, grantors, laws, or regulations: \$323 million.
  - Unrestricted net deficit: (\$2.853) billion.
- The 2024 year-end, net pension liability is \$1,653 million compared to the 2023 restated total of \$1,351 million. This \$302 million increase is due to an increase in the actuarial liability, the correction of an error by the City of Milwaukee Employers Retirement System related to the pension plans accounting for employer reserve payments, accompanied by a realized 2023 net investment return of 9.92% compared to the actuarial assumption of 7.5%. Please note that 2023 comparable data in the MD&A section have been updated for the restatement. The 2023 liability is based on an actuarial valuation performed on January 1, 2023, rolled forward to December 31, 2023. See Note 8 in the financial statements for more disclosures regarding pension liability reporting, and Note 15 related to the error correction.
- Total 2024 long-term liabilities were \$4.55 billion of which \$235 million was short-term compared to the 2023 total of \$4.277 billion of which \$213 million was short-term. The long-term portion of total liabilities, including amounts due within one year, is shown below.

**Total Long-term Liabilities**  
 (Millions of Dollars)

	<u>2024</u>	<u>2023</u>
Outstanding debt.....	\$ 1,655	\$ 1,677
OPEB.....	1,107	1,115
Pension.....	1,653	1,351
Compensated absences.....	54	50
Claims and judgments.....	81	84
Total.....	<u>\$ 4,550</u>	<u>\$ 4,277</u>

### Statement of Activities

- Governmental expenses were \$1.298 billion while combined program revenues were \$171 million, a difference of \$1.127 billion. However, general revenues and transfers plus grants and contributions were \$1.350 billion, resulting in a \$223 million increase to net position for the year. Business-type activity expenses were \$268 million while combined program and general revenues, grants and contributions were \$301 million plus \$3 million of miscellaneous revenue, resulting in a surplus of \$36 million. Transfers out reduced this excess by \$18 million, resulting in a net increase in net position of \$18 million.

CITY OF MILWAUKEE  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (Unaudited)

- Governmental revenues and transfers of \$1.52 billion, which supported 117% of the total 2024 governmental expenses of \$1.298 billion, were comprised of the following.

**Government type revenues**  
*(Millions of Dollars)*

	<b>Amount</b>	<b>Percentage of Total</b>	
		<b>Revenue</b>	<b>Expense</b>
Program, grant and contribution revenues.....	\$ 500	33%	39%
Property and other taxes.....	599	39%	46%
State aids for the general fund.....	296	20%	23%
Miscellaneous revenues and transfers.....	127	8%	10%
<b>Total.....</b>	<b>\$ 1,522</b>	<b>100%</b>	<b>118%</b>

- Business-type activity program revenue of \$301 million, which supported 112% of the total 2024 business-type expenses of \$268 million, was comprised of the following.

**Business type program revenues**  
*(Millions of Dollars)*

	<b>Amount</b>	<b>Percentage of Total</b>	
		<b>Revenue</b>	<b>Expense</b>
Water.....	\$ 116	39%	43%
Sewer.....	81	27%	30%
Transportation.....	34	11%	13%
Port.....	8	3%	3%
MMSD sewer user charges.....	62	20%	23%
<b>Total.....</b>	<b>\$ 301</b>	<b>100%</b>	<b>112%</b>

**Fund Financial Statements**

- The total governmental fund, year-end 2024 fund balance was \$615 million, compared to the 2023 ending fund balance of \$510 million, an increase of \$105 million or 21%.
- The 2024 General Fund year-end fund balance totaled \$341 million, a \$105 million increase compared to the 2023 balance of \$236 million. The 2024 ending fund balance is approximately 42% of the \$808 million combined General Fund expenditures and transfers for the year.

**Notes**

- Outstanding General Obligation bonds and notes payable were \$1.153 billion at year-end 2024, a decrease of \$3 million compared to the 2023 total of \$1.156 billion. In addition, revenue bonds of \$144 million, state loans of \$246 million and \$19 million of lease and subscription based information technology arrangements (SBITA) obligations were outstanding at year-end. Total outstanding debt at the end of 2024, including unamortized premium, totaled \$1.655 billion, a \$22 million decrease under the 2023 total of \$1.677 billion.

**Required Supplementary Information**

- General Fund operating revenues were \$19 million greater than budgeted while operating expenditures were \$50 million less than budgeted in 2024. Property taxes were as budgeted, sales taxes were \$16.6 million greater than budgeted and other taxes were under budget by \$554 thousand, while revenues other than taxes were \$3.4 million more than budget. Charges for services exceeded budget by \$5 million and licenses and permits generated \$2.3 million above the budget for 2024. Operating expenditures were under budget in all categories, including general government of \$48 million, public safety \$4.5 million and public works \$870 thousand. The primary reasons for the general government category being under budget is no wage supplement carry over along with positive experience in employee benefit claims.
- Total OPEB liability decreased approximately \$8 million to \$1.107 billion as of December 31, 2024, compared to \$1.115 billion as of December 31, 2023, essentially flat for 2024.

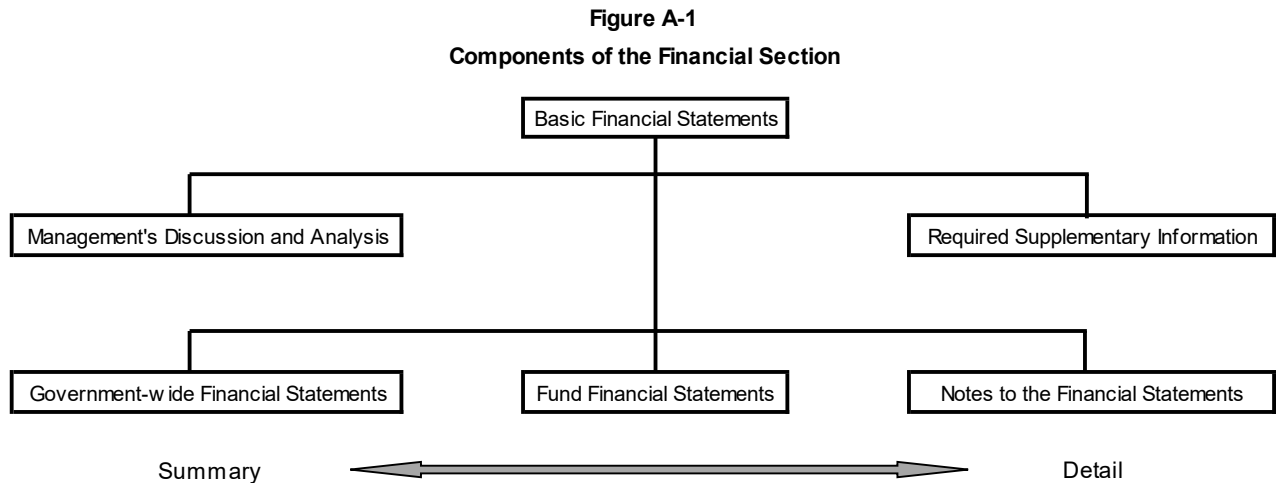


CITY OF MILWAUKEE  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Unaudited)

- Due to an increase in the actuarial determined liability along with an error correction, the 2024 net pension liability increased \$302 million to \$1,653 million compared to the 2023 restated pension liability of \$1,351 million.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the City's basic financial statements. The basic financial statements consist of three components: (1) **Government-wide** financial statements, (2) **Fund** financial statements, (3) **Notes** to the financial statements. This report also includes other (4) **Required Supplementary Information**. Figure A-1 shows how the required parts of the annual report are arranged and relate to one another.



The basic financial statements include two kinds of statements.

- Government-wide financial statements that provide both long-term and current period information about the City's overall financial status.
- "Fund" specific financial statements that focus on individual components of City government, reporting the City's operations in more detail than the government-wide statements.
  - Governmental fund statements tell how general government services such as public safety were financed in the past year as well as what remains for future spending.
  - Proprietary fund statements offer current year and long-term financial information about business-type activities such as the water utility and the sewer maintenance systems.
  - Fiduciary fund statements provide financial information about certain operations—such as benefit plans for the City's employees—in which the City is solely a trustee or custodian for the benefit of others to whom the resources belong.

CITY OF MILWAUKEE  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (Unaudited)

A summary of the major features of the City's financial statements, including the portion of the City government covered and the types of information contained are depicted in table Figure A-2. The remainder of this overview section of the MD&A explains the structure and contents of each of the statements.

Figure A-2 Major Features of Government-wide and Fund Financial Statements				
	Government-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
<b>Scope</b>	Entire entity (except fiduciary funds)	The day-to-day operating activities of the City for basic governmental services	The day-to-day operating activities of the City for business-type enterprises	Instances in which the City administers resources on behalf of others, such as employee benefits
<b>Required financial statements</b>	* Statement of net position * Statement of activities	* Balance Sheet * Statement of revenues, expenditures and changes in fund balances	* Statement of net position * Statement of revenues, expenses, and changes in net position * Statement of cash flows	* Statement of fiduciary net position * Statement of changes in fiduciary net position
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus, except custodial funds which use the economic resources measurement focus.
<b>Type of asset and liability information</b>	All assets and liabilities, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; capital assets and long-term liabilities	All assets and liabilities, both financial and capital, short-term and long-term	All assets held in a trustee or agency capacity for others and all liabilities
<b>Type of inflow and outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## Government-wide Financial Statements

The government-wide financial statements are designed to provide an overview of the City's finances, similar to a private-sector business and include both long-term and short-term information about the City's financial status. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. All of the activities of the City, except those of a fiduciary nature, are included.

Two government-wide statements report the City's net position and how they have changed. Net position—the difference between the City's assets and liabilities—is one measure of the City's financial health. Increases or decreases in the City's net position are one measure of its financial wherewithal. Other non-financial factors such as changes in the property tax base and the condition of the City's infrastructure (streets, sewers, etc.) are also needed to assess the overall health of the City.

The government-wide financial statements of the City of Milwaukee are divided into three categories on these statements—governmental activities, business-type activities, and component units. A total for the City is also provided.

- The *governmental activities* include the basic services of the City including general government (administration), police, fire, public works, health, culture, and development services. Taxes and general revenues generally support these activities.
- The *business-type activities* include the private sector type activities such as water, sewer user charge, sewer maintenance, transportation, and port. User charges or fees primarily support these activities.
- The *component units* include two other entities in its report: The Redevelopment Authority of the City of Milwaukee, and The Neighborhood Improvement Development Corporation. Although legally independent entities, these organizations are closely related to the City of Milwaukee in terms of their respective financial and public policy responsibilities.

CITY OF MILWAUKEE  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Unaudited)

## **Fund Financial Statements**

The City's major funds begin with Exhibit A-1. The fund financial statements provide detailed information about the most significant financial components of the municipality as opposed to the City as a whole. These individual funds are established for the purpose of executing specific activities and objectives in accordance with Federal, State and local laws and regulations. The accounts of the City are organized on the basis of funds. Each fund is a separate fiscal and accounting entity with a self-balancing set of accounts including assets, liabilities, equities, revenues and expenditures or expenses.

The City reports financial activity and status according to three fund types: governmental, proprietary and fiduciary funds.

- **Governmental funds:** Most of the City's basic services are reported in governmental funds, applying modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine if more or fewer financial resources are available to be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in the reconciliations in Exhibits A-2 and A-4.
- **Proprietary funds:** Operations which are financed primarily by user charges or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control and other purposes. Proprietary funds utilize full accrual accounting. The City's proprietary funds focus on the business-type activities reported in the government-wide statements, providing additional detail including cash flows.
- **Fiduciary funds:** The City is the trustee, or fiduciary, for its pension and other employee benefit trusts and various miscellaneous private purpose trusts. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position in Exhibits C-1 and C-2. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## **Notes to the Financial Statements**

The notes, which follow the Government-wide and Fund financial statements (Exhibits 1 through D-2), provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information to demonstrate legal budgetary compliance for each major fund for which an annual budget is adopted. This required supplementary information is presented in Exhibits E-1. A *Schedule of Funding Progress* relating to retiree health and life insurance and pension is depicted in Exhibit E-2.

## **Combining Schedules, Individual Fund Statements and Schedules of Miscellaneous Financial Data**

Combining schedules provide detail in connection with non-major governmental funds and non-major proprietary funds. Individual fund statements provide greater detail, presented as compared with the final amended budget for the General Fund, and each non-major special revenue fund. Capital Projects are also presented in detail by major category (i.e., streets, sewers) within the Miscellaneous Financial Data Section. See Exhibits F-1 through I-9.

## **FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

### **Summary of Statement of Net Position**

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the City as a whole. The net position and net expenses of governmental and business-type activities of the City are presented in Table 1a. Table 1a focuses on the net position and Table 2a focuses on the changes in net position.

CITY OF MILWAUKEE  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (Unaudited)

**Table 1a**  
**Summary of Statement of Net Position**  
*(Thousands of Dollars)*

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current and other assets .....	\$ 1,378,836	\$ 1,362,560	\$ 188,488	\$ 197,310	\$ 1,567,324	\$ 1,559,870
Capital assets .....	1,420,933	1,371,955	1,381,253	1,344,242	2,802,186	2,716,197
Total assets .....	2,799,769	2,734,515	1,569,741	1,541,552	4,369,510	4,276,067
Deferred Outflow s of Resources:						
Deferred outflow s for pensions.....	747,055	433,060	32,966	12,645	780,021	445,705
Deferred outflow s for OPEB.....	119,735	188,103	2,417	6,340	122,152	194,443
Total deferred outflow s.....	866,790	621,163	35,383	18,985	902,173	640,148
Long-term obligations .....	3,993,851	3,721,349	556,802	555,253	4,550,653	4,276,602
Other liabilities .....	200,803	362,620	116,079	80,713	316,882	443,333
Total liabilities .....	4,194,654	4,083,969	672,881	635,966	4,867,535	4,719,935
Deferred Inflow s of Resources:						
Gain on Refunding.....	741	1,385	256	330	997	1,715
Subsequent years property taxes.....	394,152	390,584	-	-	394,152	390,584
Pension, OPEB, Lease & SBITA related...	568,901	594,300	56,126	66,524	625,027	660,824
Total deferred inflow s .....	963,794	986,269	56,382	66,854	1,020,176	1,053,123
Net position:						
Net investment in capital assets.....	963,782	948,355	949,599	892,838	1,913,381	1,841,193
Restricted .....	300,662	223,886	22,762	22,150	323,424	246,036
Unrestricted (deficit) .....	(2,756,333)	(2,886,801)	(96,500)	(57,271)	(2,852,833)	(2,944,072)
Total net position .....	\$ (1,491,889)	\$ (1,714,560)	\$ 875,861	\$ 857,717	\$ (616,028)	\$ (856,843)

Net position of the City's governmental activities increased to (\$1.492) billion for 2024. The portion of net position restricted as to use totaled \$301 million. Net position invested in capital facilities (buildings, roads, bridges, etc.) totaled \$964 million net of outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets are reported net of related debt, the funding needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The unrestricted net position deficit of (\$2.76) billion at year-end does not imply that the City has inadequate financial resources to meet its current obligations. Rather, the deficit is caused, in part, by the full accrual of future expenses (expenditures) in the current year. The City's annual budgets, however, only include funding (revenue) for one year of multi-year liabilities such as property-casualty claims, employee leave balances and post-employment benefits. This difference between future expenditures and current year revenue is mostly responsible for the deficit.

The net position of business-type activities was \$876 million at the end of 2024. The City, generally, can use the net position of business-type activities only to finance the continuing operations of those specific proprietary activities.

Year-end 2024 long-term obligations for governmental activities were \$3.994 billion, an increase of 7% over the 2023 amount of \$3.721 billion. Most of this increase is attributable to the increases in the actuarial pension liability and restatement, as previously noted. Year-end long-term obligations related to business-type activities were \$556.8 million, an increase of less than 1% from the 2023 amount of \$555.3 million.

Total 2024 year end primary government assets, including capital assets, were \$4.369 billion, an increase of \$93 million or 2% from the 2023 amount of \$4.276 billion. At year-end 2024, the Water Works and Sewer Maintenance Fund net capital assets comprised 92.7% of the City's total net capital assets for business-type activities. These two funds are the City's largest proprietary (business-type) funds. The Water Works capital assets consist primarily of water mains and related water facilities and plants; and the Sewer Maintenance Fund includes local sewer mains and connections.

CITY OF MILWAUKEE  
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**Changes in Net Position**

Revenues less expenses yield the change in net position. Governmental Activity program and general revenues for 2024 totaled \$1.5 billion. The composition of this revenue, by category, is reported on Table 2a while the percentage of each revenue category to the total is shown on Chart 4.

Governmental Activity expenses include a wide range of services. Governmental Activity 2024 expenditures were \$1.3 billion. The composition of these expenditures, by category, is reported on Table 2a while the percentage of each expense category to the total is shown on Chart 3.

Program-specific revenues (charges for services) generated about 33% (see Table 2b) of total governmental activity revenue. General revenues (taxes, State aids, grants, and miscellaneous) account for the remaining 67%.

Governmental Activity revenues for 2024 were \$205 million above expenditures, and \$223 million above after \$18 million of transfers from business-type activities. Business-type activity revenues exceeded expenditures and transfers during 2024 by \$36 million. Chart 1 presents *Expenses and Program Revenues – Governmental Activities*, and Chart 2, *Expenses and Program Revenues – Business-type Activities* depicts the comparison of revenues versus expenditures by major function. Table 2a and the narrative that follows, report the operations of governmental and business-type activities separately.

**Table 2a**  
**Changes in Net Position**  
 (Thousands of Dollars)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenues:						
Program revenues:						
Charges for services .....	\$ 170,861	\$ 170,547	\$ 294,176	\$ 284,907	\$ 465,037	\$ 455,454
Operating grants and contributions .....	320,523	233,832	-	-	320,523	233,832
Capital grants and contributions .....	8,568	1,557	6,592	11,852	15,160	13,409
General revenues:						
Property, sales and other taxes .....	598,655	376,609	-	-	598,655	376,609
State aids for General Fund .....	295,592	273,846	-	-	295,592	273,846
Miscellaneous .....	109,073	113,233	3,055	5,501	112,128	118,734
Total revenues .....	<u>1,503,272</u>	<u>1,169,624</u>	<u>303,823</u>	<u>302,260</u>	<u>1,807,095</u>	<u>1,471,884</u>
Expenses						
General government .....	226,806	218,436	-	-	226,806	218,436
Public safety .....	579,773	527,757	-	-	579,773	527,757
Public Works .....	276,030	215,450	-	-	276,030	215,450
Health .....	44,672	41,758	-	-	44,672	41,758
Culture and recreation .....	41,848	41,021	-	-	41,848	41,021
Conservation and development .....	96,174	72,597	-	-	96,174	72,597
Interest on long-term debt .....	33,043	33,300	-	-	33,043	33,300
Water .....	-	-	97,399	80,604	97,399	80,604
Sewer Maintenance .....	-	-	65,175	60,059	65,175	60,059
Transportation .....	-	-	34,643	28,635	34,643	28,635
Port of Milwaukee .....	-	-	9,050	26,926	9,050	26,926
Metropolitan Sewerage District User Charges.....	-	-	61,667	58,473	61,667	58,473
Total expenses .....	<u>1,298,346</u>	<u>1,150,319</u>	<u>267,934</u>	<u>254,697</u>	<u>1,566,280</u>	<u>1,405,016</u>
Increase (Decrease) in net position before transfers..	204,926	19,305	35,889	47,563	240,815	66,868
Transfers .....	17,745	25,726	(17,745)	(25,726)	-	-
Increase (decrease) in net position .....	222,671	45,031	18,144	21,837	240,815	66,868
Net position (deficit) – Beginning, as restated.....	(1,714,560)	(1,759,591)	857,717	835,880	(856,843)	(923,711)
Net position (deficit) – Ending .....	<u>\$ (1,491,889)</u>	<u>\$ (1,714,560)</u>	<u>\$ 875,861</u>	<u>\$ 857,717</u>	<u>\$ (616,028)</u>	<u>\$ (856,843)</u>

CITY OF MILWAUKEE  
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**Governmental Activities**

Revenues for the City's governmental activities totaled \$1.503 billion, while total expenses totaled \$1.298 billion for 2024, resulting in a surplus of \$205 million. Total revenues, excluding transfers, supported 116% of total expenses; 117% including transfers. Comparable data for 2023 indicates total revenues, excluding transfers supported 102% of expenses; 104% including transfers.

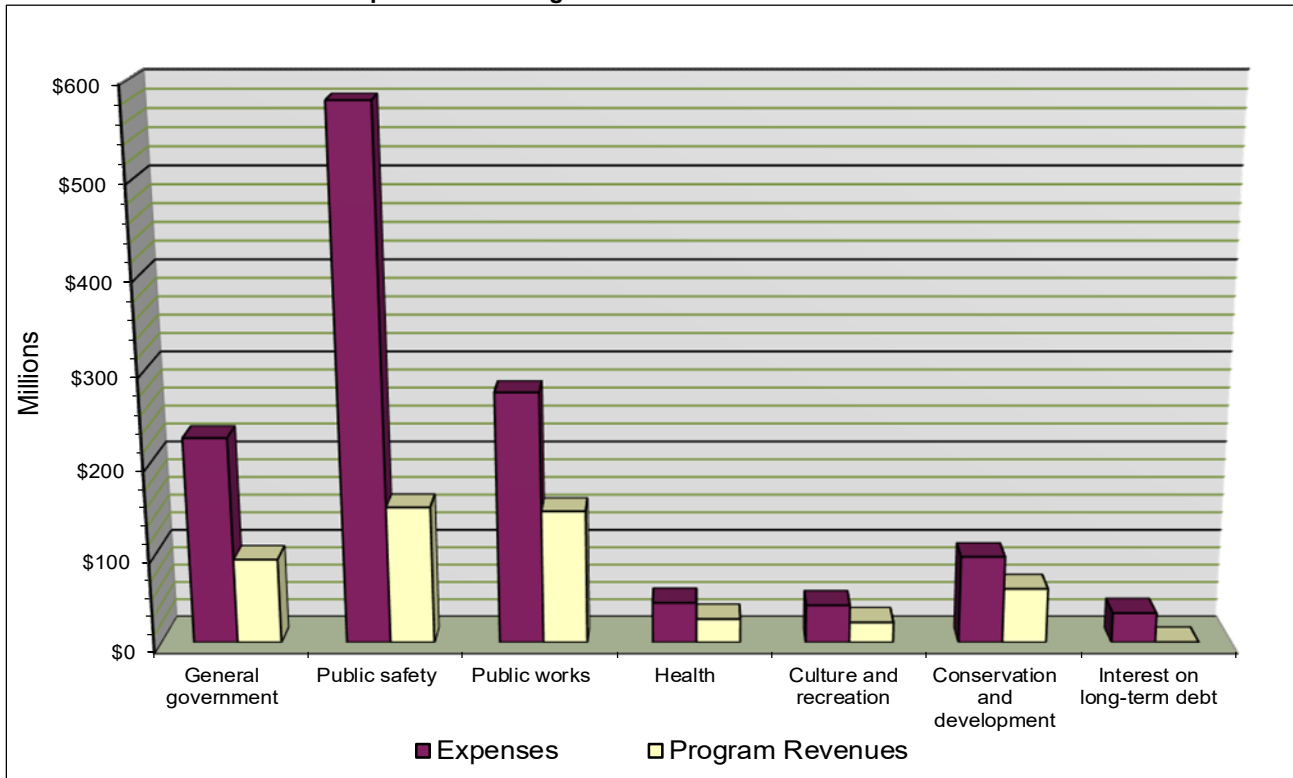
Revenue amounts for the current and prior year, by category, are summarized in Table 2b, below.

**Table 2b**  
**Governmental Activities Revenues**  
*(Thousands of Dollars)*

Category	2024		2023	
	Amount	% of Total	Amount	% of Total
Property, sales & other taxes.....	\$ 598,655	40%	\$ 376,609	32%
State aids.....	295,592	20%	273,846	23%
Charges for services.....	170,861	11%	170,547	15%
Grants and contributions.....	329,091	22%	235,389	20%
Miscellaneous.....	109,073	7%	113,233	10%
Total.....	<u>\$ 1,503,272</u>	<u>100%</u>	<u>\$ 1,169,624</u>	<u>100%</u>

Total 2024 governmental activity expenditures increased \$148 million or 13% compared to 2023 which is primarily due to the increased actuarial expenses tied to the increased pension liability. See the Notes to the Financial Statements and Table 2c for further detail.

**Chart 1**  
**2024 Expenses and Program Revenues – Governmental Activities**



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Table 2c presents the gross and net costs (total costs less the revenues generated by the activities) of each of the City's largest programs. Chart 1 above depicts total revenues and expenses for each activity. General government includes most City departments, such as: Mayor, Common Council, Administration, Employee Relations, Municipal Court, City Attorney, Comptroller and Treasurer. Public safety includes Fire, Police and Neighborhood Services. "Net cost" shows the remaining costs, by function that are funded by non-program revenues such as City taxes and State aids. The net cost of services not funded with direct program revenue for governmental activities increased in 2024 to \$798 million from \$744 million in 2023, a 13% increase.

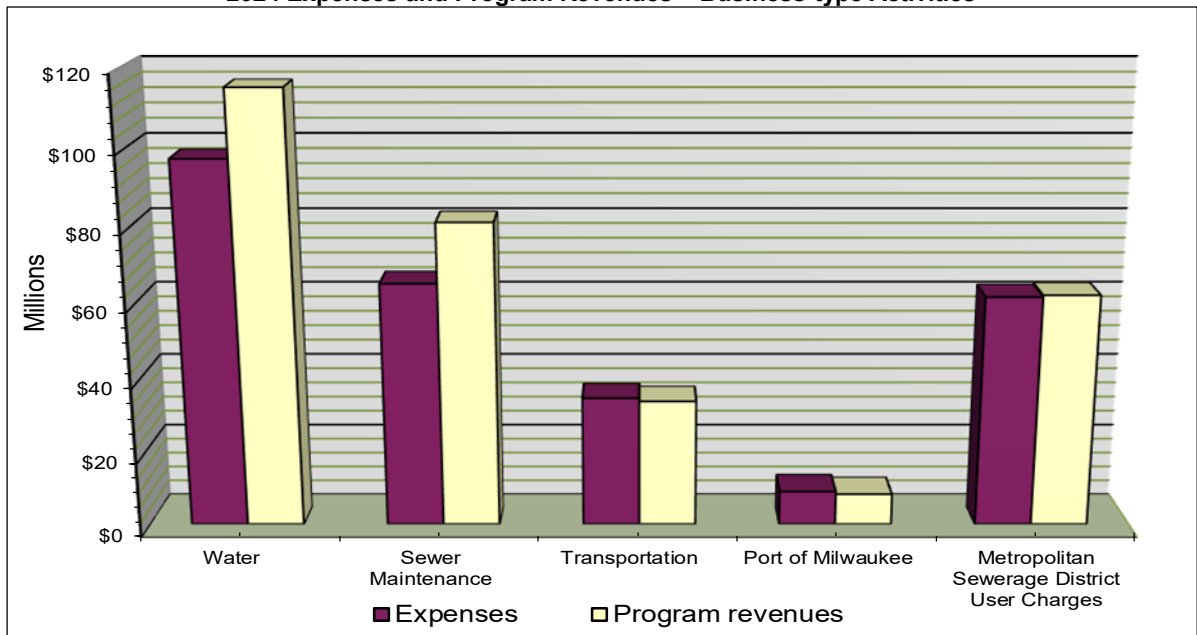
**Table 2c**  
**Governmental Activities - Cost of Services**  
*(Thousand of Dollars)*

	<b>Total Cost of Services</b>				<b>Net Cost of Services</b>	
	<b>2024</b>	<b>% of Total</b>	<b>2023</b>	<b>% of Total</b>	<b>2024</b>	<b>2023</b>
General government .....	\$ 226,806	17%	\$ 218,436	19%	\$ 133,770	\$ 165,685
Public safety .....	579,773	46%	527,757	45%	428,785	362,960
Public works .....	276,030	21%	215,450	19%	129,344	97,819
Health .....	44,672	3%	41,758	4%	18,319	17,786
Culture and recreation .....	41,848	3%	41,021	4%	19,325	27,996
Conservation and development ...	96,174	7%	72,597	6%	35,808	38,837
Interest on long-term debt .....	33,043	3%	33,300	3%	33,043	33,300
Total Governmental Activities .	<u>\$ 1,298,346</u>	<u>100%</u>	<u>\$ 1,150,319</u>	<u>100%</u>	<u>\$ 798,394</u>	<u>\$ 744,383</u>

**Business-type Activities**

Operating revenues for the City's business-type activities totaled \$301 million, while expenses and transfers out totaled \$268 million for 2024, resulting in an increase to net position (see Table 3b). Total revenues supported 113% of total expenses excluding transfers out and 106% including transfers out. Comparable data for 2023 indicates total revenues supported 119% of expenses excluding transfers out and 108% including transfers out. Chart 2 below depicts total revenues and expenses for each business-type activity.

**Chart 2**  
**2024 Expenses and Program Revenues – Business-type Activities**



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The two major proprietary or business-type activities for the City are water services (Water Works) and sewer maintenance. Operating revenues, expenses and income for Water Works and Sewer Maintenance are shown in Table 3a below.

**Table 3a**  
**Major Enterprise Funds - Revenues and Expenses**  
*(Thousands of Dollars)*

	<b>Water Works</b>	<b>Sewer Maintenance</b>
Revenues.....	\$ 114,721	\$ 76,696
Expenses.....	\$ 95,578	\$ 28,851
Net operating income.....	<u>\$ 19,143</u>	<u>\$ 47,845</u>

Business-type activities total revenues, expenses and net position for the current year compared to the previous year are outlined in Table 3b below.

**Table 3b**  
**Business-type Revenues, Expenses and Net Position**  
*(Thousands of Dollars)*

	<b>2024</b>	<b>2023</b>	<b>Increase (Decrease)</b>	
			<b>Amount</b>	<b>Percentage</b>
Revenues.....	\$ 303,823	\$ 302,260	\$ 1,563	1%
Expenses/Transfers.....	\$ 285,679	\$ 280,423	\$ 5,256	2%
Net position.....	\$ 875,861	\$ 859,476	\$ 16,385	2%

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting consistent with finance-related legal requirements and external governmental accounting standards.

### Governmental Funds

Governmental Funds are reported in the fund based financial statements with a focus on the annual inflow and outflow of spendable resources. This information is useful in assessing resources available at the end of the year in comparison with the succeeding year's requirements. Types of Governmental Funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

At year-end 2024, the Governmental Funds (as presented in the balance sheet on Exhibit A-1) reported a combined fund balance of \$615 million, an increase of \$105 million or 21% from the 2023 balance of \$510 million. The factors impacting the change in fund balance are mainly due to solid revenue in the funds along with implementation of the Sales Tax effective January 1, 2024, coupled with expenditures being under budget. Current and prior year fund balances of the funds that comprise the Governmental Funds are shown in Table 4a.



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**Table 4a**  
**Governmental Funds Change in Fund Balances**

(Thousands of Dollars)

	<b>General</b>		<b>Public Debt</b>	<b>Economic</b>	<b>Grant and</b>	<b>Capital</b>		
	<b>Obligation</b>	<b>Debt Service</b>	<b>Amortization</b>	<b>Development</b>	<b>Aid</b>	<b>Projects</b>	<b>Nonmajor</b>	<b>Total</b>
	<b>General</b>	<b>Debt Service</b>	<b>Amortization</b>	<b>Development</b>	<b>Projects</b>	<b>Projects</b>	<b>Nonmajor</b>	<b>Total</b>
2024 ending balance.....	\$ 341,460	\$ 49,631	\$ 58,829	\$ 164,252	\$ (64,965)	\$ 59,022	\$ 6,773	\$ 615,002
2023 ending balance.....	236,411	30,537	54,163	142,856	(5,650)	57,551	(6,095)	509,773
Increase/(decrease).....	\$ 105,049	\$ 19,094	\$ 4,666	\$ 21,396	\$ (59,315)	\$ 1,471	\$ 12,868	\$ 105,229

The City of Milwaukee typically borrows to fund authorized capital projects only after expenditures for these projects has occurred. This practice minimizes City borrowing costs and complies with Internal Revenue Service (IRS) regulations. Debt issued for capital projects totaled \$88 million in 2024 compared to \$103 million in 2023.

Revenues for governmental functions overall totaled \$1.404 billion in the fiscal year ended December 31, 2024, an increase of \$263 million compared to the 2023 total of \$1.141 billion. The implementation of the sales tax accounted for the majority of this increase generating just over \$200 million of revenue in 2024. Other financing sources were \$226 million, a \$139 million decrease from the elevated 2023 total of \$365 million. Other financing sources include, proceeds from issuance of debt and subscription based information technology arrangements, refunding payments and issuance premiums; transfers from proprietary funds; and transfers of loan repayments received by the Neighborhood Improvement Development Corporation component unit. Governmental revenues, by source, are shown on Table 4b below.

**Table 4b**  
**Governmental Fund Revenues by Source**

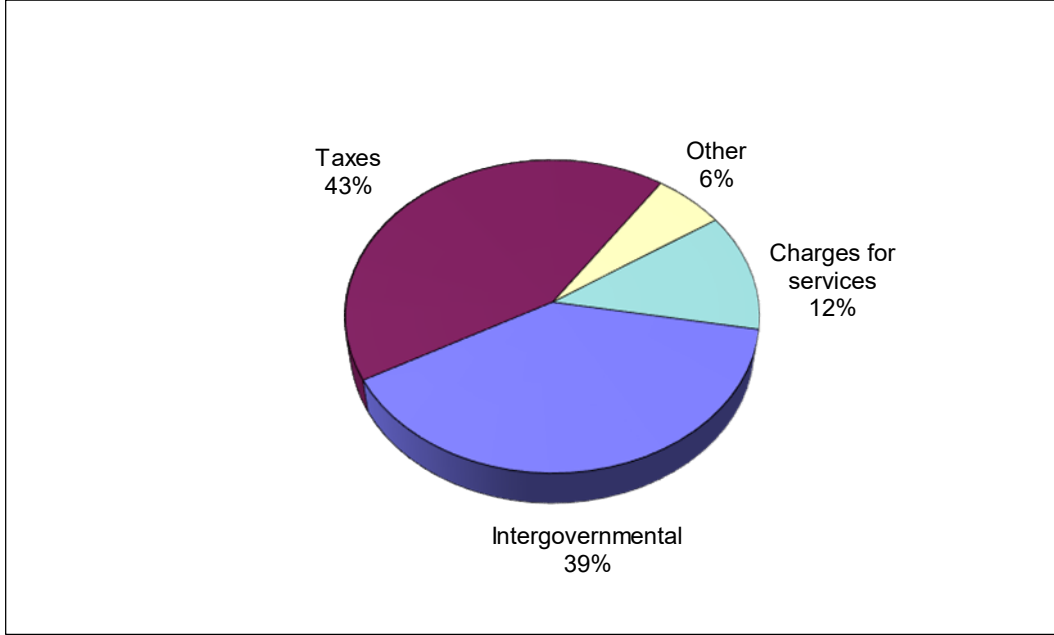
(Thousands of Dollars)

	<b>General</b>		<b>Public Debt</b>	<b>Economic</b>	<b>Grant and</b>	<b>Capital</b>		
	<b>Obligation</b>	<b>Debt Service</b>	<b>Amortization</b>	<b>Development</b>	<b>Aid</b>	<b>Projects</b>	<b>Nonmajor</b>	<b>Total</b>
	<b>General</b>	<b>Debt Service</b>	<b>Amortization</b>	<b>Development</b>	<b>Projects</b>	<b>Projects</b>	<b>Nonmajor</b>	<b>Total</b>
Intergovernmental.....	\$ 295,592	\$ -	\$ -	\$ -	\$ 221,079	\$ 14,554	\$ 19,512	\$ 550,737
Taxes.....	375,756	106,678	2,769	57,277	-	54,636	-	597,116
Charges for services.....	165,380	5,481	-	-	-	-	-	170,861
Other.....	46,165	1,969	7,897	-	-	14,460	14,537	85,028
Total revenues.....	882,893	114,128	10,666	57,277	221,079	83,650	34,049	1,403,742
Other sources.....	29,665	65,510	-	2,819	-	105,127	22,790	225,911
Total revenues & sources.....	\$ 912,558	\$ 179,638	\$ 10,666	\$ 60,096	\$ 221,079	\$ 188,777	\$ 56,839	\$ 1,629,653

CITY OF MILWAUKEE  
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Chart 3 below depicts revenue, by source, for all governmental funds.

**Chart 3**  
**2024 Revenues by Source – Governmental Funds**



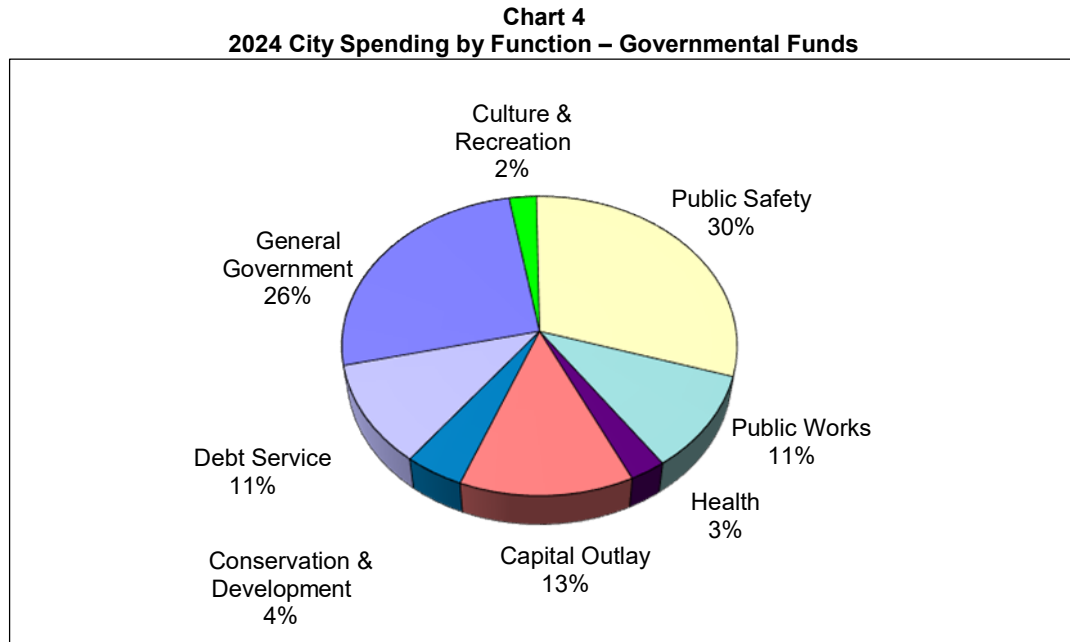
Expenditures for governmental funds totaled \$1.445 billion compared to \$1.285 billion in 2023. Other financing uses totaled \$80 million, a \$52 million decrease compared to the 2023 total of \$132 million. Expenditures exceeded revenues in 2024, creating a gap of \$41 million. The excess of other financing sources over other financing uses of \$146 million offset the gap. The net change in fund balances was an increase of \$105 million for the year compared to an increase of \$89 million in 2023. Governmental expenditures, by function, are shown on Table 4c below.

**Table 4c**  
**Governmental Fund Expenditures by Source**  
*(Thousands of Dollars)*

	General	General Obligation	Public Debt Amortization	Economic Development	Grant and Aid Projects	Capital Projects	Nonmajor	Total
General government.....	\$ 332,954	\$ 841	\$ -	\$ -	\$ 35,819	\$ -	\$ 4,270	\$ 373,884
Public safety.....	313,247	-	-	-	116,115	-	5,003	434,365
Public works.....	120,190	-	-	-	30,830	-	-	151,020
Health.....	13,629	-	-	-	25,226	-	-	38,855
Culture & recreation.....	14,408	-	-	-	19,707	-	1,323	35,438
Conservation & development...	3,411	-	-	-	52,503	-	7,750	63,664
Capital outlay.....	3,976	-	-	-	-	184,487	-	188,463
Debt service.....	-	158,858	-	-	-	-	-	158,858
Total expenditures.....	801,815	159,699	-	-	280,200	184,487	18,346	1,444,547
Other uses.....	5,694	845	6,000	38,700	194	2,819	25,625	79,877
Total expenditures & uses.....	\$ 807,509	\$ 160,544	\$ 6,000	\$ 38,700	\$ 280,394	\$ 187,306	\$ 43,971	\$ 1,524,424

CITY OF MILWAUKEE  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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Chart 4 below depicts spending by function for all governmental funds.



### Major Governmental Funds

The General Fund is the City's primary operating fund and the largest funding source for day-to-day services. The fund balance of the General Fund increased \$105 million or 44%. Revenues and other financing sources totaled approximately \$913 million and expenditures and other financing uses totaled approximately \$808 million - detailed in Table 5 below. General Fund revenues for 2024 increased \$174 million from 2023 amounts, attributable to the sales tax.

Expenditures increased \$82 million to \$802 million, compared to the 2023 total of \$720 million. This \$82 million included increases in all segments except culture and recreation, and conservation and development. The increases include general government and public safety expenditure increases of \$44 million and \$48 million respectively. Total revenues were exceeded by total expenditures in the amount of \$81 million or 10%.

Other Financing Sources (consisting of debt proceeds and transfers in from other funds), exceeded Other Financing Uses (consisting of transfers out to other funds) by \$24 million. In 2024 and 2023 there was no fund balance withdrawal.

Total General Fund revenues for 2024 were \$883 million. The largest revenue category is taxes at \$376 million followed by intergovernmental at \$296 million, representing 43% and 33% respectively of the total. The local City sales tax has increased the tax revenue significantly. Intergovernmental revenue primarily consists of State of Wisconsin aid payments. The Charges for Services category, which includes revenues for services provided by City departments, comprises 19% at \$165 million. These three categories comprise 95% of the total 2024 revenues.

CITY OF MILWAUKEE  
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Table 5 below presents a summary of revenues and expenditures of the General Fund compared to prior year:

**Table 5**  
**General Fund**  
**Summary of Revenues, Expenditures and Other Financing Sources and Uses**  
*(Thousands of Dollars)*

Revenues and Other Financing Sources				Expenditures and Other Financing Uses			
Revenues:	2024	2023	Percent Change	Expenditures:	2024	2023	Percent Change
Property taxes .....	\$ 172,140	\$ 211,692	-18.7%	General government.....	\$ 332,954	\$ 288,456	15.4%
Sales & Other taxes .....	203,616	4,273	4665.2%	Public safety.....	313,247	265,662	17.9%
Licenses and permits .....	20,206	19,596	3.1%	Public works.....	120,190	112,155	7.2%
Intergovernmental .....	295,592	273,846	7.9%	Health.....	13,629	13,350	2.1%
Charges for services .....	165,380	163,847	0.9%	Culture and recreation .....	14,408	20,601	-30.1%
Fines and forfeits .....	1,944	2,429	-20.0%	Conservation and			
Contributions received .....	1,973	3,140	-37.2%	development .....	3,411	4,783	-28.7%
Other .....	22,042	29,807	-26.1%	Capital Outlay for SBITA's .....	3,976	14,884	
Total Revenues .....	882,893	708,630	24.6%	Total Expenditures .....	801,815	719,891	11.4%
Excess of Revenues				Other Financing Uses			
over Expenditures .....	81,078	(11,261)	820.0%	Transfers out .....	5,694	63,234	-91.0%
Other Financing Sources				Total Expenditures			
Debt proceeds .....	3,976	76,884	-94.8%	Other Financing Uses .....	\$ 807,509	\$ 783,125	3.1%
Transfers in .....	25,689	32,520	-21.0%	Net Change in			
Total Revenues and				Fund Balance .....	\$ 105,049	\$ 34,909	200.9%
Other Financing Sources .....	912,558	818,034	11.6%				

During 2024, the City did not issue any Revenue Anticipation Notes (RANS) to finance the operating budget pending receipt of State Shared Revenues as the sales tax stabilized cash flow with monthly distributions from the State of Wisconsin, who administers all sales tax, thus relieving the need for interim borrowing.

The City maintains two separate debt service funds, the General Obligation Debt Service Fund and the Public Debt Amortization Fund (PDAF).

The General Obligation Debt Service Fund accounts for resources accumulated and payments made for principal and interest on the City's outstanding general obligation debt. The 2024 fund balance of the General Obligation Debt Service Fund increased \$19.1 million to \$49.6 million compared to the 2023 balance of \$30.5 million (see Table 4a).

Total revenues of the General Obligation Debt Service Fund increased to \$114 million in 2024 compared to \$108 million in 2023, mainly due to an increase in tax levy committed to this fund. Revenues combined with Other Financing Sources totaled \$180 million (see table 4b) while expenditures combined with Other Financing Uses totaled \$161 million (see Table 4c); resulting in an increase in Fund Balance for year-end 2024 of \$19.1 million (see Table 4a).

The Public Debt Amortization Fund (PDAF) is governed by State Statutes Section 67.101 whereby accumulated funds can be used for the retirement of the public debt. The 2024 PDAF fund balance was \$58.8 million, a \$4.7 million increase from the 2023 balance of \$54.2 million (see Table 4a) generated by higher than budgeted interest earnings.

The Economic Development Fund is used to record Tax Incremental District (TID) non-capital transactions (i.e. receipt of taxes and other revenues, payment of debt service, and refunds of excess revenue to overlying taxing jurisdictions). The fund is also used to record Business Improvement District (BID) and Neighborhood Improvement District (NID) assessments and payouts. The 2024 fund balance of the Economic Development fund increased \$21.4 million to \$164.3 million from the 2023 total of \$142.9 million.

The Grant and Aid Projects fund had revenue of \$221 million in 2024, an increase of \$29 million over the 2023 level. The increase is due to the continued recognition of the federal government ARPA funding used to cover certain expenditures as allowed by the grants. We expect this fund will see decreased revenue as the COVID era grants are fully expended before December 31, 2026. Total expenditures were \$280 million, an increase of \$88 million over the 2023 amount. The increase is due to the application and use of federal ARPA funds for allowed expenditures during the year, which included revenue

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replacement and public safety expenditures. The fund had a beginning fund balance of (\$5.6) million, and with a deficit of \$59.3 million, the Grant and Aid Projects Fund ended 2024 with a fund balance of (\$65) million.

The Capital Projects Funds are used to account for the financial resources segregated for the acquisition, construction, or repair of major capital facilities other than those financed by proprietary funds. In 2024, total debt proceeds amounted to \$87.6 million, a decrease of \$15.1 million over the \$102.7 million in 2023. Total revenues increased \$33.7 million to \$83.6 million in 2024 from \$49.9 million in 2023; expenditures increased \$56.3 million, to \$184.5 million in 2024 compared to \$128.2 million in 2023. The increase was in part related to carry over of unfinished projects from prior years including an initiative to upgrade street lighting and infrastructure work. The current year's revenues, transfers in and issuance of bonds and notes exceeded expenditures and transfers out during 2024 for capital purposes resulting in a fund balance of \$59 million, a \$1.5 million increase compared to the 2023 fund balance of \$57.5 million (Table 4a).

### **Proprietary Funds**

The proprietary fund statements provide information on both short and long-term financial status, focusing on net position and the change in net position resulting from operations. Major proprietary funds include Water Works and Sewer Maintenance. Nonmajor Proprietary funds include Transportation, Port Milwaukee and the Metropolitan Sewerage District User Charge.

At the end of the fiscal year, the total net position for all proprietary funds was \$876 million, an increase of \$18 million from the restated 2023 balance of \$858 million. Changes in the individual components are: an increase of \$5 million in Water Works, \$17 million increase in the Sewer Maintenance fund, and a decrease of \$4 million in the Nonmajor Proprietary funds. The Nonmajor Proprietary funds decrease of \$4 million is composed of decreases of \$2.5 million in Transportation and \$1.6 million for Port, offset by an increase of \$0.5 for the Metropolitan Sewerage District User Charge (see Tables 6a and 6b for detail). The beginning fund balances were adjusted for the pension error correction totaling (\$1.8) million.

In 2024, operating revenues of the proprietary funds totaled \$294 million, an increase of 3% over 2023, while total operating expenses increased \$36 million to \$229 million. The Water Works is the largest proprietary activity of the City, comprising approximately 39% of the total operating revenues. The Sewer Maintenance Fund comprises 26% of the total operating revenues. Both funds primarily bill customers based on water consumption.

For 2024, Water Works operating revenues were up \$5 million to \$115 million as net water sales grew due to a new long-term supply agreement with the City of Waukesha beginning during the third quarter of 2023. Sewer Maintenance operating revenues were up \$2.2 million to \$76.7 million or 3%. The combined revenue of all other proprietary funds (labeled Nonmajor Funds in Table 6a, with detail presented in Table 6b) increased \$2.5 million or 2% compared to 2023. The revenue of the Port and Sewer User Funds was up while the Transportation Fund was down slightly from 2023 levels.

The Water Works total operating expenses of \$95.6 million for 2024 was an increase of \$17 million compared to the 2023 total of \$78.6 million. This increase was broad based across all categories mostly caused by increases in water transmission and distribution and general and administrative expenses. Sewer Maintenance operating expenses totaled \$28.9 million in 2024, up from the 2023 amount of \$23.3 million due mainly to increases in personnel costs.

The 2024 combined operating expenses of all other proprietary funds increased \$13.2 million or 15% from the 2023 total of \$91.1 million. This increase is the net result of higher expenses for the three non-major funds, made up of: Transportation \$6 million, Port \$4 million and Sewerage District User Charge fund of \$3 million. Table 6b below presents a summary of revenues and expenditures and changes in net position of the nonmajor proprietary funds.

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**Table 6a**  
**Proprietary Funds - Summary of Revenues, Expenses and Changes in Net Position**  
*(Thousands of Dollars)*

	<b>Water Works</b>	<b>Sewer Maintenance</b>	<b>Nonmajor Funds</b>	<b>Total</b>
Operating revenues.....	\$ 114,721	\$ 76,696	\$ 102,759	\$ 294,176
Operating expenses.....	95,578	28,851	104,388	228,817
Operating income.....	19,143	47,845	(1,629)	65,359
Nonoperating revenues (expenses).....	(520)	(31,027)	1,425	(30,122)
Income before contributions & transfers.....	18,623	16,818	(204)	35,237
Capital contributions and transfers.....	(13,660)	-	(3,433)	(17,093)
Increase (decrease) in net position.....	4,963	16,818	(3,637)	18,144
Net position 2023, as restated.....	490,842	358,717	8,158	857,717
Net position 2024.....	\$ 495,805	\$ 375,535	\$ 4,521	\$ 875,861

**Table 6b**  
**Nonmajor Proprietary Funds - Summary of Revenues, Expenses and Changes in Net Position**  
*(Thousands of Dollars)*

	<b>Transportation</b>	<b>Port of Milwaukee</b>	<b>Metropolitan Sewerage District User Charge</b>	<b>Total</b>
Operating revenues.....	\$ 33,219	\$ 7,403	\$ 62,137	\$ 102,759
Operating expenses.....	34,048	8,673	61,667	104,388
Operating income.....	(829)	(1,270)	470	(1,629)
Nonoperating revenues (expenses).....	893	532	-	1,425
Income before transfers.....	64	(738)	470	(204)
Transfers.....	(2,567)	(866)	-	(3,433)
Increase (decrease) in net position.....	(2,503)	(1,604)	470	(3,637)
Net position 2023, as restated.....	2,575	4,517	1,066	8,158
Net position 2024.....	\$ 72	\$ 2,913	\$ 1,536	\$ 4,521

### General Fund Budgetary Highlights

For the year ended December 31, 2024, the General Fund budgetary-basis actual revenues were \$19 million greater than budgeted. All categories except Other Taxes, Fines and Forfeitures and Other Revenues were above or essentially flat from the budget. Amounts over budget are: Sales Tax \$16.6 million, Licenses and Permits \$2.3 million, Intergovernmental \$0.2 million, and Charges for services \$5 million. Amounts under budget are: Other Taxes \$0.6 million, and Fines and Forfeitures by \$1.1 million, and Other Revenue \$3.1 million. Actual total revenues increased \$173.2 million to \$860.5 million in 2024 from \$687.4 million in 2023. The primary driver of the large increase is the implementation of the local sales tax as of January 1, 2024, which generated \$200.6 million of revenue in the first year.

Operating expenditures were \$49.7 million less than budgeted. This favorable variance is due mainly to budgeted expenses being carried over to the 2025 budget which then were not reflected in the General Fund as 2024 expenditures and favorable employee benefits claim experience.

Final budget for other financing sources and uses were \$20 million, an increase of \$20 million compared to the original budget of \$0. This change was due to the issuance of transfers in to the general fund from other funds to finance the fiscal requirements of the City.

The original 2024 budget for expenditures includes the adopted budget plus the encumbrances carried over from 2023 less the encumbrances carried forward to 2025. The final budget includes the original budget, as defined above, plus appropriations authorized for carryover from 2023 by the Common Council less those appropriations authorized for carryforward to 2025. In addition, certain appropriations are budgeted in a general non-departmental account (i.e. contingency) and are only transferred from this account to specific departments during the year to expend after authorization by the Common Council. These appropriation adjustments are part of the final budget. As detailed in the Required Supplementary Information Section; Exhibit

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E-1 shows both the original 2024 General Fund expenditure budget of \$925 million and the final budget of \$828 million, which is a 17% increase compared to the final 2023 budget of \$708 million. This increase is attributable to the use of federal ARPA grants by the General Fund during 2024. The final 2024 revenue budget of \$841 million increased from the final 2023 revenue budget of \$676 million, due to the Sales Tax as previously discussed. Table 7 below presents a summary of the 2024 General Fund budget to actual revenues, expenses and changes in fund balance.

**Table 7**  
**General Fund - Budgetary Comparison Summary**  
*(Thousands of Dollars)*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Budgetary Basis Actual</b>	<b>Variance Positive (Negative)</b>
Operating revenues.....	\$ 841,077	\$ 841,437	\$ 860,527	\$ 19,090
Operating expenses.....	925,148	827,854	778,111	49,743
Deficiency of revenues over expenditures.....	(84,071)	13,583	82,416	68,833
Other financing sources (uses).....	-	19,995	22,633	2,638
Net change in fund balance.....	(84,071)	33,578	105,049	71,471
Fund balance 2023.....	236,411	236,411	236,411	-
Fund balance 2024.....	<u>\$ 152,340</u>	<u>\$ 269,989</u>	<u>\$ 341,460</u>	<u>\$ 71,471</u>

The General Fund Schedule of Expenditures - Budget and Actual (Exhibit I-9) compares current year actual to budgeted expenditures, by department at the class level.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The City's capital assets for governmental and business-type activities as of December 31, 2024 total \$2.802 billion (net of accumulated depreciation/amortization). Capital assets include land, buildings, infrastructure, improvements other than buildings, machinery and equipment, furniture and furnishings, non-utility property, right of use assets, subscription assets and construction in progress. The total net increase in the City's capital assets for the current fiscal year was \$86 million. Governmental activities' capital assets increased \$49 million from 2023. Business-type activity capital assets increased \$37 million in 2024. A schedule comparing the assets by type for 2024 and 2023, for both governmental and business-type activities is shown in Table 8 below. The net change in assets, as detailed in Note 4 to the Financial Statements, reports that 2024 additions were \$161 million and disposals were \$65 million for governmental activities. The two largest business-type activities are the Sewer Maintenance Fund and the Water Works Fund. The Sewer Maintenance Fund had a net increase in capital assets of \$9 million. Of the Sewer Maintenance Fund's net assets at year-end, 99% relate to the sewer mains infrastructure. Infrastructure net assets of the Water Works Fund comprise 64% of its total capital assets with 32% consisting of machinery and equipment. The total net change in all Water Works net assets was an increase of \$29 million. The net investment in capital assets represents the net book value of capital assets less associated obligations. The net investment as of December 31, 2024 was \$1.913 billion, an increase of \$72 million from the December 31, 2023 net investment of \$1.841 billion.

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**Table 8**  
**Net Capital Assets**  
 (Thousands of Dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Capital assets not being depreciated/amortized:						
Land .....	\$ 166,370	\$ 166,374	\$ 19,434	\$ 19,434	\$ 185,804	\$ 185,808
Construction in progress .....	140,612	143,283	36,497	35,295	177,109	178,578
Intangible right of ways .....	1,342	1,342	-	-	1,342	1,342
Capital assets being depreciated/amortized:.....						
Buildings .....	434,919	404,520	142,486	141,671	577,405	546,191
Infrastructure.....	1,971,761	1,925,920	1,520,698	1,469,001	3,492,459	3,394,921
Improvements other than buildings.....	11,769	11,776	21,162	15,550	32,931	27,326
Machinery and equipment .....	291,583	273,174	337,294	331,754	628,877	604,928
Intangible software.....	14,722	14,722	-	-	14,722	14,722
Nonutility property .....	-	-	3,791	3,791	3,791	3,791
Accumulated depreciation/amortization.....	(1,631,460)	(1,590,026)	(700,109)	(672,254)	(2,331,569)	(2,262,280)
Total capital assets being depreciated and amortized, net .....	1,401,618	1,351,085	1,381,253	1,344,242	2,782,871	2,695,327
Right of use assets *.....	19,315	20,870	-	-	19,315	20,870
Total * .....	\$ 1,420,933	\$ 1,371,955	\$ 1,381,253	\$ 1,344,242	\$ 2,802,186	\$ 2,716,197
Net investment in capital assets.....	\$ 963,782	\$ 948,355	\$ 949,599	\$ 892,838	1,913,381	1,841,193

\*Amounts were adjusted to reflect the implementation of GASB 96, net of amortization

## Debt

At year-end, the City owed \$1.153 billion in general obligation bonds and notes, \$246 million in State loans, \$148 million in revenue bonds and \$19 million in lease and subscription obligations. Debt totals, excluding unamortized premium, are itemized in Table 9. Please refer to Footnote 7 – Long Term Liabilities for additional details.

During 2024, \$113 million of general obligation bonds and notes and \$9 million of State loans were issued. No new Revenue Bonds were issued in 2024. Of the \$113 million of new general obligation bonds and notes issuances, \$111.8 million related to governmental activities and \$1.2 million was for business-type activities. All 2024 State loan issuances were for business-type activities.

The City continues to maintain investment grade ratings from the two major rating agencies. Ratings of “A-” from S&P Global Ratings, and “A+” from Fitch’s Rating Agency Inc., were received on the City’s most recent 2024 general obligation bonds and notes.

The City issues general obligation notes to purchase a portion of General Fund delinquent taxes. During 2024, \$19.2 million of notes were issued to fund delinquent taxes. Delinquent tax collections, along with related interest and penalties, are used to pay the debt service requirements of the notes.



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**Table 9**  
**Outstanding Debt**  
**General Obligation Bonds & Notes, State Loans and Revenue Bonds**  
*(Thousands of Dollars)*

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
General obligation bonds and notes (backed by the City) .....	\$ 1,131,895	\$ 1,132,402	\$ 21,460	\$ 23,501	\$ 1,153,355	\$ 1,155,903
Lease and Subscription Obligations .....	19,315	20,870	-	-	19,315	20,870
State loans .....	-	-	246,168	255,242	246,168	255,242
Revenue bonds (backed by specific fee revenues) .....	-	-	148,145	154,860	148,145	154,860
<b>Total .....</b>	<b><u>\$ 1,151,210</u></b>	<b><u>\$ 1,153,272</u></b>	<b><u>\$ 415,773</u></b>	<b><u>\$ 433,603</u></b>	<b><u>\$ 1,566,983</u></b>	<b><u>\$ 1,586,875</u></b>

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND TAX RATE

In July 2023 the Wisconsin legislature passed and the Governor signed Act 12 which allows the City of Milwaukee to enact a 2% Sales Tax effective January 1, 2024. Act 12, among other things, requires the bulk of the Sales Tax revenue to be dedicated to public safety and pension obligations; and closes the City's pension plan to new hires after January 1, 2024. In the first year the City collected \$200.6 million in sales tax revenue.

The average unemployment rate within the City of Milwaukee for 2024 was 4.2%, compared to 4.3% for 2023. The City of Milwaukee per capita income for 2023 (the most recent fiscal year available) was \$60,114, compared to \$57,683 for 2022. Table 13, in the Statistical Section, contains demographic and economic statistics for the last ten calendar years.

The 2025 adopted City Budget totals \$2.014 billion with a General Fund budget of \$1.033 billion. The General Fund budget increased \$82 million from the 2024 budget of \$951 million. In 2025, the City expects to spend \$122 million for health insurance and related costs, which is lower than the 2024 budgeted amount of \$124 million.

The biggest change in the 2025 budget was the expiration of American Rescue Plan Act (ARPA) funds. In 2021 Federal Government allocated \$394.2 million of ARPA funds to the City of Milwaukee. The grant required that all of it be spent, under contract, or reserved for programmatic salaries by December 31, 2024 and fully spent by December 31, 2026. Consistent with federal rules regarding allowable ARPA spending, the City used significant amounts of the ARPA allocation to maintain regular City services: \$68 million in the 2022 budget, \$85 million in the 2023 budget, and \$110 million in the 2024 budget. Helping offset the expiration of ARPA funds in 2025, the 2025 budget was the second budget the City had a 2% sales tax and increases in State shared revenue. However, these additional revenues were not sufficient to offset the expiring ARPA funds. The City used three strategies to offset the gap, increasing existing revenues, strategic departmental reductions that minimized service impacts, and planned withdrawals from reserves. The 2025 budget was able to be balanced in a responsible fashion while keeping service levels appropriate and maintaining focus on performance goals. The 2025 budget used debt financing for most capital programs which is the traditional funding method for infrastructure. Once again, tough budgetary decisions will be necessary in 2026 especially with the potential for changes in Federal funding for grant and aid programs. We structured the 2025 budget with future years' budgets in mind. Many of our decisions this year position the City to have good, sustainable options during future budget deliberations.

The 2025 Water Works budget includes funding to replace 3,500 lead service lines. The cost of replacing the utility owned portion of a lead service line is paid for by ratepayers through the Water Works operating budget. Replacement of the privately owned section of lead service lines in 2025 is funded by \$13.2 million of levy supported City capital funds that were allocated in prior years, and \$800 thousand of special assessments to property owners. MWW applied for \$30.1M of funding through the Safe Drinking Water Loan Program (SDWLP) for 2024 and received principal forgiveness funding for the majority of costs for the privately owned section. The 2025 Water Works capital budget provides \$30 million for 14 miles of water main replacement. In 2025, \$6 million is included in the budget for the resurfacing and reconstruction of local streets. It is critical to ensure that Milwaukee has a strong and effective lead poisoning prevention and remediation program; procedures and management are in

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place to ensure this program is effective. Several new positions have been added to improve intake of new cases, assist families if they must temporarily or permanently vacate a property, and comply with program requirements.

The city owns and operates nearly 77,000 street lights. The 2025 street lighting program includes \$10.5 million in capital funding, a \$2.0 million increase from the 2024 budget. The 2025 capital budget also includes approximately \$3.5 million for the Neighborhood Lighting Program, which includes upgrades to street and alley lighting, removal of series circuitry, and LED street light conversions. In 2025, DPW estimates that the circuits serving approximately 550 fixtures will be replaced, not including those modernized through paving projects. At least 12,000 units are expected to be converted to LED in 2025 using a combination of city and federal funding sources. The Public Safety budget includes funding for an average of 1,645 sworn officers with the hiring of 195 new police officers in three recruit classes.

The 2025 capital budget provides \$5,000,000 as the final funding piece for construction of the new South Shore Cruise Dock. The design has been updated to accommodate Seawaymax-sized ships at the dock. The new design also provides utility services necessary to support vessel operations and future development of the adjacent vacant parcel. Dock construction is scheduled to begin in 2025 and be completed for the 2026 cruise season.

The City of Milwaukee's share of the 2025 Tax Rate decreased to \$8.30 (per \$1,000 of Assessed Value) from the 2024 rate of \$9.47. The total City 2025 property tax levy increased \$6.5 million to \$324.2 million, compared to \$317.7 million in 2024, while the assessed valuation of all property within the City increased \$6 billion to approximately \$36 billion.

The 2024 property tax levy (which funds the 2025 budget) is shown in Table 10 below along with a comparison to the 2023 levy.

**Table 10**  
**Tax Levy by Purpose**  
*(Thousands of Dollars)*

	<b><u>Levy Year *</u></b>		<b>Increase</b>
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>(decrease)</u></b>
General city purposes.....	\$ 142,311	\$ 96,731	\$ 45,580
Employee retirement.....	69,189	70,409	(1,220)
Capital improvements.....	3,665	38,879	(35,214)
Debt.....	103,985	106,678	(2,693)
Contingent fund.....	5,000	5,000	-
Total levy.....	<u>\$ 324,150</u>	<u>\$ 317,697</u>	<u>\$ 6,453</u>

\*Levy year funds the next year's budget.

CITY OF MILWAUKEE  
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The 2025 General City Purpose budget includes \$795 million in estimated revenue, an increase of \$97.5 million compared to the 2024 budget. The sources of funds for the 2025 General City Purpose budget, by category, compared to the 2024 budget is shown in Table 11.

**Table 11**  
**Sources of Funds for General City Purposes Budget**  
*(Thousands of Dollars)*

	<b><u>Budget Year*</u></b>		<b>Increase</b>
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>(decrease)</u></b>
Tax levy.....	\$ 142,311	\$ 96,731	\$ 45,580
Taxes and PILOTS.....	73,451	47,084	26,367
Licenses and permits.....	19,882	17,857	2,025
Intergovernmental revenue.....	305,503	295,331	10,172
Charges for services.....	155,734	147,132	8,602
Transfers.....	32,300	-	32,300
Other.....	65,657	93,194	(27,537)
Total sources.....	<u>\$ 794,838</u>	<u>\$ 697,329</u>	<u>\$ 97,509</u>

\*Budget is funded by the prior year's levy.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with an overview of the City's finances and to demonstrate the City's accountability for the taxes and other funding received. If you have questions about this report or need additional financial information, contact the City of Milwaukee, Office of the City Comptroller, City Hall, 200 East Wells Street Room 404, Milwaukee, WI 53202.

**BASIC  
FINANCIAL  
STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

CITY OF MILWAUKEE  
**STATEMENT OF NET POSITION**  
December 31, 2024  
*(Thousands of Dollars)*

Exhibit 1

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents .....	\$ 738,812	\$ 40,325	\$ 779,137	\$ 10,774
Restricted cash and cash equivalents .....	42,054	22,814	64,868	8,425
Receivables (net):				
Taxes .....	309,926	-	309,926	-
Accounts .....	26,609	55,628	82,237	369
Unbilled accounts .....	2,313	23,631	25,944	-
Special assessments .....	7,219	-	7,219	-
Notes and loans .....	58,573	-	58,573	10,318
Settlements .....	22,519	-	22,519	-
Accrued interest .....	206	572	778	547
Leases .....	6,479	29,765	36,244	1,467
Due from component units .....	7,752	-	7,752	-
Due from primary government .....	-	-	-	29
Due from other governmental agencies .....	130,998	10,361	141,359	158
Inventory of materials and supplies .....	14,535	5,218	19,753	-
Inventory of property for resale .....	26	-	26	7,408
Prepaid items .....	10,815	102	10,917	32
Other assets .....	-	72	72	-
 Total Noncapital Assets .....	<u>1,378,836</u>	<u>188,488</u>	<u>1,567,324</u>	<u>39,527</u>
Capital assets:				
Capital assets not being depreciated:				
Land .....	166,370	19,434	185,804	10,593
Construction in progress .....	140,612	36,497	177,109	1,606
Intangible right of ways .....	1,342	-	1,342	-
Capital assets being depreciated:				
Buildings .....	434,919	142,486	577,405	14,174
Infrastructure .....	1,971,761	1,520,698	3,492,459	13,371
Improvements other than buildings .....	11,769	21,162	32,931	4,263
Machinery and equipment .....	291,583	337,294	628,877	6
Intangible software.....	14,722	-	14,722	565
Nonutility property .....	-	3,791	3,791	-
Accumulated depreciation and amortization .....	(1,631,460)	(700,109)	(2,331,569)	(10,476)
Right of use lease asset, net.....	3,398	-	3,398	-
Subscription assets, net.....	<u>15,917</u>	<u>-</u>	<u>15,917</u>	<u>66</u>
 Total Capital Assets .....	<u>1,420,933</u>	<u>1,381,253</u>	<u>2,802,186</u>	<u>34,168</u>
 Total Assets .....	<u>2,799,769</u>	<u>1,569,741</u>	<u>4,369,510</u>	<u>73,695</u>
Deferred Outflows of Resources:				
Deferred outflows for pensions .....	747,055	32,966	780,021	-
Deferred outflows for OPEB .....	<u>119,735</u>	<u>2,417</u>	<u>122,152</u>	<u>-</u>
 Total Deferred Outflows of Resources .....	866,790	35,383	902,173	-

CITY OF MILWAUKEE  
**STATEMENT OF NET POSITION**  
December 31, 2024  
(Thousands of Dollars)

Exhibit 1

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Accounts payable .....	\$ 137,161	\$ 47,277	\$ 184,438	\$ 1,937
Accrued expenses .....	48,482	3,074	51,556	-
Accrued interest payable .....	13,067	1,492	14,559	-
Internal balances .....	(63,811)	63,811	-	-
Due to component units .....	29	-	29	-
Due to other governmental agencies .....	1,044	7	1,051	3,209
Unearned revenues .....	64,831	418	65,249	345
Other liabilities .....	-	-	-	340
Due to primary government:				
Due within one year .....	-	-	-	1,180
Due in more than one year .....	-	-	-	6,572
Long-term obligations:				
Due within one year .....	199,597	35,408	235,005	-
Due in more than one year .....	<u>3,794,254</u>	<u>521,394</u>	<u>4,315,648</u>	<u>1,582</u>
 Total Liabilities .....	<u>4,194,654</u>	<u>672,881</u>	<u>4,867,535</u>	<u>15,165</u>
Deferred Inflows of Resources:				
Gain on refunding .....	741	256	997	-
Subsequent years property taxes .....	394,152	-	394,152	-
Deferred inflows for pensions .....	83,783	236	84,019	-
Deferred inflows for OPEB .....	478,639	26,125	504,764	-
Deferred inflows for leases .....	<u>6,479</u>	<u>29,765</u>	<u>36,244</u>	<u>1,467</u>
 Total Deferred Inflows of Resources .....	<u>963,794</u>	<u>56,382</u>	<u>1,020,176</u>	<u>1,467</u>
NET POSITION				
Net investment in capital assets.....	963,782	949,599	1,913,381	34,168
Restricted for:				
Debt service .....	95,393	22,762	118,155	-
Loan and development purposes.....	-	-	-	10,468
Grants .....	7,623	-	7,623	-
Settlements .....	33,394	-	33,394	-
Tax increment financing .....	164,252	-	164,252	-
Unrestricted (Deficit) .....	<u>(2,756,333)</u>	<u>(96,500)</u>	<u>(2,852,833)</u>	<u>12,427</u>
 Total Net Position (Deficit) .....	<u>\$ (1,491,889)</u>	<u>\$ 875,861</u>	<u>\$ (616,028)</u>	<u>\$ 57,063</u>

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

CITY OF MILWAUKEE  
**STATEMENT OF ACTIVITIES**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit 2

		Program Revenues	Grants and Contributions	
Functions/Programs	Expenses	Charges for Services	Operating	Capital
Primary government:				
Governmental Activities:				
General government .....	\$ 226,806	\$ 33,178	\$ 59,858	\$ -
Public safety .....	579,773	28,885	122,103	-
Public works .....	276,030	106,944	31,174	8,568
Health .....	44,672	935	25,418	-
Culture and recreation .....	41,848	809	21,714	-
Conservation and development .....	96,174	110	60,256	-
Interest on long-term debt .....	33,043	-	-	-
Total Governmental Activities .....	<u>1,298,346</u>	<u>170,861</u>	<u>320,523</u>	<u>8,568</u>
Business-type Activities:				
Water .....	97,399	114,721	-	652
Sewer Maintenance .....	65,175	76,696	-	4,436
Transportation .....	34,643	33,219	-	595
Port of Milwaukee .....	9,050	7,403	-	909
Metropolitan Sewerage District				
User Charges .....	<u>61,667</u>	<u>62,137</u>	<u>-</u>	<u>-</u>
Total Business-type Activities .....	<u>267,934</u>	<u>294,176</u>	<u>-</u>	<u>6,592</u>
Total Primary Government .....	<u>\$ 1,566,280</u>	<u>\$ 465,037</u>	<u>\$ 320,523</u>	<u>\$ 15,160</u>
Component units:				
Redevelopment Authority .....	\$ 4,997	\$ 2,485	\$ 668	\$ 14,643
Neighborhood Improvement Development Corporation .....	<u>597</u>	<u>156</u>	<u>115</u>	<u>-</u>
Total Component Units .....	<u>\$ 5,594</u>	<u>\$ 2,641</u>	<u>\$ 783</u>	<u>\$ 14,643</u>

General revenues:

Property, sales and other taxes .....	
State shared revenue and aid not restricted to specific programs .....	
Miscellaneous .....	
Transfers .....	
Total General Revenues and Transfers .....	

Change in Net Position .....

Net Position (Deficit) - Beginning, as previously reported .....	
Pension Error Correction .....	
Net Position (Deficit) - Beginning, as restated .....	

**Net Position (Deficit) - Ending .....**

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

Net (Expenses) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (133,770)		\$ (133,770)	
(428,785)		(428,785)	
(129,344)		(129,344)	
(18,319)		(18,319)	
(19,325)		(19,325)	
(35,808)		(35,808)	
(33,043)		(33,043)	
<u>(798,394)</u>		<u>(798,394)</u>	
-	\$ 17,974	17,974	
-	15,957	15,957	
-	(829)	(829)	
-	(738)	(738)	
-	470	470	
-	32,834	32,834	
<u>(798,394)</u>	<u>32,834</u>	<u>(765,560)</u>	
			\$ 12,799
			<u>(326)</u>
			<u>12,473</u>
598,655	-	598,655	-
295,592	-	295,592	-
109,073	3,055	112,128	959
17,745	(17,745)	-	-
<u>1,021,065</u>	<u>(14,690)</u>	<u>1,006,375</u>	<u>959</u>
222,671	18,144	240,815	13,432
(1,648,254)	859,476	(788,778)	43,631
(66,306)	(1,759)	(68,065)	-
<u>(1,714,560)</u>	<u>857,717</u>	<u>(856,843)</u>	<u>43,631</u>
<u>\$ (1,491,889)</u>	<u>\$ 875,861</u>	<u>\$ (616,028)</u>	<u>\$ 57,063</u>



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**FUND  
FINANCIAL  
STATEMENTS**

CITY OF MILWAUKEE  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit A-1

	General	General Obligation Debt Service
<b>ASSETS</b>		
Assets:		
Cash and investments .....	\$ 263,066	\$ 53,590
Restricted cash and cash equivalents.....	-	42,054
Receivables (net):		
Taxes .....	167,498	58,625
Accounts .....	26,190	-
Unbilled accounts .....	2,313	-
Special assessments .....	-	-
Notes and loans .....	-	50,950
Settlements .....	-	-
Accrued interest .....	53	-
Leases .....	6,479	-
Due from other funds .....	105,586	-
Due from component units .....	748	-
Due from other governmental agencies .....	35,177	-
Advances to other funds .....	43,178	-
Inventory of materials and supplies .....	14,535	-
Inventory of property for resale .....	26	-
Prepaid items .....	10,538	-
<b>Total Assets</b> .....	<b><u>\$ 675,387</u></b>	<b><u>\$ 205,219</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable .....	\$ 51,632	\$ 91
Accrued expenses .....	47,295	-
Due to other funds .....	-	563
Due to component units .....	29	-
Due to other governmental agencies .....	168	-
Unearned revenue.....	4	-
Advances from other funds .....	-	-
<b>Total Liabilities</b> .....	<b><u>99,128</u></b>	<b><u>654</u></b>
Deferred Inflows of Resources:.....	<u>234,799</u>	<u>154,934</u>
Fund Balances:		
Nonspendable .....	68,277	-
Restricted.....	-	49,631
Committed.....	122,952	-
Assigned .....	83,601	-
Unassigned (Deficit).....	66,630	-
<b>Total Fund Balances</b> .....	<b><u>341,460</u></b>	<b><u>49,631</u></b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b> .....	<b><u>\$ 675,387</u></b>	<b><u>\$ 205,219</u></b>

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

Public Debt Amortization	Economic Development	Grant and Aid Projects	Capital Projects	Nonmajor Governmental Funds	Total
\$ 58,676	\$ 186,064	\$ 63,389	\$ 101,552	\$ 12,475	\$ 738,812
-	-	-	-	-	42,054
-	41,012	-	14,503	28,288	309,926
-	-	371	48	-	26,609
-	-	-	-	-	2,313
-	-	-	7,219	-	7,219
-	-	3,616	-	4,007	58,573
-	-	-	-	22,519	22,519
153	-	-	-	-	206
-	-	-	-	-	6,479
-	-	-	-	-	105,586
-	6,740	107	132	25	7,752
-	-	85,233	7,003	3,585	130,998
-	-	-	-	-	43,178
-	-	-	-	-	14,535
-	-	-	-	-	26
-	-	3	261	13	10,815
<b>\$ 58,829</b>	<b>\$ 233,816</b>	<b>\$ 152,719</b>	<b>\$ 130,718</b>	<b>\$ 70,912</b>	<b>\$ 1,527,600</b>
\$ -	\$ 13,109	\$ 40,515	\$ 29,129	\$ 2,685	\$ 137,161
-	-	458	649	80	48,482
-	-	44,777	-	28,570	73,910
-	-	-	-	-	29
-	-	-	-	876	1,044
-	-	63,390	137	1,300	64,831
-	-	-	10,243	800	11,043
-	13,109	149,140	40,158	34,311	336,500
-	56,455	68,544	31,538	29,828	576,098
-	-	3	261	13	68,554
58,829	164,252	3,616	-	14,882	291,210
-	-	-	65,456	-	188,408
-	-	-	-	-	83,601
-	-	(68,584)	(6,695)	(8,122)	(16,771)
58,829	164,252	(64,965)	59,022	6,773	615,002
<b>\$ 58,829</b>	<b>\$ 233,816</b>	<b>\$ 152,719</b>	<b>\$ 130,718</b>	<b>\$ 70,912</b>	<b>\$ 1,527,600</b>

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CITY OF MILWAUKEE  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
DECEMBER 31, 2024  
(Thousands of Dollars)

Exhibit A-2

Fund balances - total governmental funds (Exhibit A-1) \$ 615,002

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

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

Land	166,370	
Buildings, net of \$197,976 accumulated depreciation	236,943	
Infrastructure, net of \$1,219,151 accumulated depreciation	752,610	
Improvements other than buildings, net of \$11,213 accumulated depreciation	556	
Machinery and equipment, net of \$188,753 accumulated depreciation	102,830	
Intangible assets net of \$14,367 accumulated depreciation	1,697	
Right of use assets, net	3,398	
Subscription-based agreements, net	15,917	
Construction in progress	<u>140,612</u>	
		1,420,933

Some revenues are unavailable in the funds because they are not available to pay current period's expenditures.

Taxes to be collected	14,825	
Receivables to be collected	84,360	
Grant revenues to be collected	73,821	
Special assessments to be collected	<u>2,461</u>	
		175,467

Deferred inflows and outflows of resources related to pensions and Other Post Employment Benefits have not been included in governmental fund activity.

Deferred inflows for other post employment benefits	(478,639)	
Deferred outflows for other post employment benefits	119,735	
Deferred inflows for pensions	(83,783)	
Deferred outflows for pensions	<u>747,055</u>	
		304,368

Long-term liabilities and related deferrals are not due and payable or amortized in the current period and therefore are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All items - both current and long-term - are reported in the statement of net position.

Accrued interest payable	(13,067)	
Bonds and notes payable	(1,131,895)	
Gain on refunding	(741)	
Unamortized premiums	(72,421)	
Leases	(3,398)	
Subscription-based agreements	(15,917)	
Compensated absences	(50,079)	
Total other postemployment benefits liability	(1,064,644)	
Net pension liability	(1,596,756)	
Claims and judgments	<u>(58,741)</u>	
		<u>(4,007,659)</u>

Total net position of governmental activities (Exhibit 1) **\$ (1,491,889)**

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

CITY OF MILWAUKEE  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit A-3

	General	General Obligation Debt Service
Revenues:		
Property taxes .....	\$ 172,140	\$ 106,678
Sales taxes .....	200,621	-
Other taxes .....	2,995	-
Special assessments .....	-	-
Licenses and permits .....	20,206	-
Intergovernmental .....	295,592	-
Charges for services .....	165,380	5,481
Fines and forfeits .....	1,944	-
Contributions received .....	1,973	-
Other .....	<u>22,042</u>	<u>1,969</u>
Total Revenues .....	<u>882,893</u>	<u>114,128</u>
Expenditures:		
Current:		
General government .....	332,954	841
Public safety .....	313,247	-
Public works .....	120,190	-
Health .....	13,629	-
Culture and recreation .....	14,408	-
Conservation and development .....	3,411	-
Capital outlay .....	3,976	-
Debt Service:		
Principal retirement .....	-	112,283
Interest .....	-	45,674
Bond issuance costs .....	<u>-</u>	<u>901</u>
Total Expenditures .....	<u>801,815</u>	<u>159,699</u>
Excess (Deficiency) of Revenues over (under) Expenditures .....	<u>81,078</u>	<u>(45,571)</u>
Other Financing Sources (Uses):		
General obligation bonds and notes issued .....	-	-
Issuance of refunding bonds .....	-	5,000
Proceeds of subscription arrangements .....	3,976	-
Loans activities .....	-	-
Issuance premium .....	-	13,122
Transfers in .....	25,689	47,388
Transfers out .....	<u>(5,694)</u>	<u>(845)</u>
Total Other Financing Sources and Uses .....	<u>23,971</u>	<u>64,665</u>
Net Change in Fund Balances .....	105,049	19,094
Fund Balances (Deficit) - Beginning.....	<u>236,411</u>	<u>30,537</u>
<b>Fund Balances (Deficit) - Ending.....</b>	<b><u>\$ 341,460</u></b>	<b><u>\$ 49,631</u></b>

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

Public Debt Amortization	Economic Development	Grant and Aid Projects	Capital Projects	Nonmajor Governmental Funds	Total
\$ -	\$ 57,277	\$ -	\$ 54,489	\$ -	\$ 390,584
-	-	-	-	-	200,621
2,769	-	-	147	-	5,911
-	-	-	1,903	-	1,903
-	-	-	-	-	20,206
-	-	221,079	14,554	19,512	550,737
-	-	-	-	-	170,861
-	-	-	-	-	1,944
-	-	-	-	-	1,973
<u>7,897</u>	<u>-</u>	<u>-</u>	<u>12,557</u>	<u>14,537</u>	<u>59,002</u>
<u>10,666</u>	<u>57,277</u>	<u>221,079</u>	<u>83,650</u>	<u>34,049</u>	<u>1,403,742</u>
-	-	35,819	-	4,270	373,884
-	-	116,115	-	5,003	434,365
-	-	30,830	-	-	151,020
-	-	25,226	-	-	38,855
-	-	19,707	-	1,323	35,438
-	-	52,503	-	7,750	63,664
-	-	-	184,487	-	188,463
-	-	-	-	-	112,283
-	-	-	-	-	45,674
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>901</u>
<u>-</u>	<u>-</u>	<u>280,200</u>	<u>184,487</u>	<u>18,346</u>	<u>1,444,547</u>
<u>10,666</u>	<u>57,277</u>	<u>(59,121)</u>	<u>(100,837)</u>	<u>15,703</u>	<u>(40,805)</u>
-	-	-	87,568	19,205	106,773
-	-	-	-	-	5,000
-	-	-	-	-	3,976
-	-	(193)	-	(389)	(582)
-	-	-	-	-	13,122
-	2,819	-	17,559	3,585	97,040
<u>(6,000)</u>	<u>(38,700)</u>	<u>(1)</u>	<u>(2,819)</u>	<u>(25,236)</u>	<u>(79,295)</u>
<u>(6,000)</u>	<u>(35,881)</u>	<u>(194)</u>	<u>102,308</u>	<u>(2,835)</u>	<u>146,034</u>
4,666	21,396	(59,315)	1,471	12,868	105,229
<u>54,163</u>	<u>142,856</u>	<u>(5,650)</u>	<u>57,551</u>	<u>(6,095)</u>	<u>509,773</u>
<u>\$ 58,829</u>	<u>\$ 164,252</u>	<u>\$ (64,965)</u>	<u>\$ 59,022</u>	<u>\$ 6,773</u>	<u>\$ 615,002</u>



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CITY OF MILWAUKEE  
**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**  
FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit A-4

Net change in fund balances - total governmental funds (Exhibit A-3) \$ 105,229

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 those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital asset additions of \$161,214 less additions from Construction-in-Progress (\$40,618) exceeded depreciation and amortization expense (\$70,191) in the current period less disposal of land (\$4) and loss on disposal of equipment (\$1,422). 48,979

Notes and loans receivable to repay long-term bonds and notes 19,829

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the funds.

Taxes accrued in prior years	1,539	
Capital grants and contributions	55,925	
Unbilled Special assessments	<u>(8,024)</u>	
		49,440

The issuance of long-term debt (bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of discounts, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued:		
Bonds and notes issued	(111,776)	
Subscription arrangements proceeds	(3,976)	
Issuance premiums	(13,122)	
Repayments:		
Principal retirement	112,283	
Subscription and right of use activity	5,530	
Amortization:		
Premiums	13,176	
Gain/Loss on refunding	<u>644</u>	
	2,759	2,759

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather as it accrues. The adjustment combines the net changes of the following balances.

Compensated absences	(3,394)	
Total other postemployment benefits liability	6,616	
Net pension liability	(281,074)	
Deferred inflows for other post employment benefits	95,482	
Deferred outflows for other post employment benefits	(68,368)	
Deferred inflows for pensions	(68,867)	
Deferred outflows for pensions	313,995	
Claims and judgments	3,234	
Accrued interest on bonds and notes	<u>(1,189)</u>	
		<u>(3,565)</u>

Changes in net position of governmental activities (Exhibit 2) **\$ 222,671**

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

CITY OF MILWAUKEE  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit B-1

	Water Works	Sewer Maintenance	Nonmajor Proprietary Funds	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Current Assets:				
Cash and cash equivalents .....	\$ 34,861	\$ 4,765	\$ 699	\$ 40,325
Restricted cash and cash equivalents .....	4,370	18,444	-	22,814
Receivables (net):				
Accounts .....	18,549	18,521	18,558	55,628
Unbilled accounts .....	16,295	2,959	4,377	23,631
Accrued interest .....	-	572	-	572
Leases .....	-	-	3,885	3,885
Due from other funds .....	-	756	596	1,352
Due from other governmental agencies .....	-	7,651	2,710	10,361
Inventory of materials and supplies .....	4,732	486	-	5,218
Prepaid items .....	87	15	-	102
Other assets .....	72	-	-	72
	<u>78,966</u>	<u>54,169</u>	<u>30,825</u>	<u>163,960</u>
Total Current Assets .....				
Noncurrent assets:				
Leases receivable.....	-	-	25,880	25,880
Capital assets:				
Capital assets not being depreciated:				
Land .....	1,973	-	17,461	19,434
Construction in progress .....	17,872	548	18,077	36,497
Capital assets being depreciated:				
Buildings .....	36,417	-	106,069	142,486
Infrastructure .....	622,556	876,367	21,775	1,520,698
Improvements other than buildings .....	-	-	21,162	21,162
Machinery and equipment .....	306,767	10,943	19,584	337,294
Nonutility property .....	3,791	-	-	3,791
Accumulated depreciation .....	(377,451)	(219,519)	(103,139)	(700,109)
	<u>611,925</u>	<u>668,339</u>	<u>100,989</u>	<u>1,381,253</u>
Net Capital Assets .....				
	<u>611,925</u>	<u>668,339</u>	<u>126,869</u>	<u>1,407,133</u>
Total Noncurrent Assets .....				
Total Assets .....	<u>690,891</u>	<u>722,508</u>	<u>157,694</u>	<u>1,571,093</u>
Deferred Outflows of Resources:				
Deferred outflows for pensions .....	26,519	3,132	3,315	32,966
Deferred outflows for OPEB.....	1,060	904	453	2,417
	<u>27,579</u>	<u>4,036</u>	<u>3,768</u>	<u>35,383</u>
Total Deferred Outflows of Resources.....				

CITY OF MILWAUKEE  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit B-1

	Water Works	Sewer Maintenance	Nonmajor Proprietary Funds	Total
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
Current Liabilities:				
Accounts payable .....	\$ 24,085	\$ 6,366	\$ 16,826	\$ 47,277
Accrued expenses .....	1,906	605	563	3,074
Accrued interest payable .....	329	481	201	1,011
Compensated absences .....	2,617	891	586	4,094
Due to other funds .....	6,923	17,292	8,813	33,028
Due to other governmental agencies .....	-	-	7	7
Other post employment benefits liability .....	1,209	402	332	1,943
Unearned revenue.....	-	185	233	418
General obligation debt payable - current .....	-	749	2,514	3,263
Revenue bonds payable - current .....	-	-	585	585
Total Current Liabilities .....	<u>37,069</u>	<u>26,971</u>	<u>30,660</u>	<u>94,700</u>
Current Liabilities Payable from Restricted Assets:				
Revenue bonds & State loans payable .....	6,156	19,367	-	25,523
Accrued interest payable .....	-	481	-	481
Total Current Liabilities Payable from Restricted Assets .....	<u>6,156</u>	<u>19,848</u>	<u>-</u>	<u>26,004</u>
Noncurrent Liabilities:				
Compensated absences .....	-	-	201	201
General obligation debt payable .....	-	-	18,197	18,197
Revenue bonds & State loans payable .....	94,599	285,521	3,710	383,830
Advances from other funds .....	-	-	32,135	32,135
Claims and judgments.....	-	-	21,994	21,994
Other post employment benefits liability .....	24,951	7,946	7,667	40,564
Net pension liability .....	43,890	6,209	6,509	56,608
Total Noncurrent Liabilities .....	<u>163,440</u>	<u>299,676</u>	<u>90,413</u>	<u>553,529</u>
Total Liabilities .....	<u>206,665</u>	<u>346,495</u>	<u>121,073</u>	<u>674,233</u>
Deferred Inflows of Resources:				
Deferred inflows for gain on bond refunding .....	-	256	-	256
Deferred inflows for pensions .....	217	9	10	236
Deferred inflows for OPEB .....	15,783	4,249	6,093	26,125
Deferred inflows for leases .....	-	-	29,765	29,765
Total Deferred Inflows of Resources .....	<u>16,000</u>	<u>4,514</u>	<u>35,868</u>	<u>56,382</u>
<b>NET POSITION:</b>				
Net investment in capital assets.....	511,170	362,446	75,983	949,599
Restricted for debt service .....	4,041	18,721	-	22,762
Unrestricted (Deficit).....	<u>(19,406)</u>	<u>(5,632)</u>	<u>(71,462)</u>	<u>(96,500)</u>
Total Net Position .....	<u>\$ 495,805</u>	<u>\$ 375,535</u>	<u>\$ 4,521</u>	<u>\$ 875,861</u>

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

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CITY OF MILWAUKEE  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit B-2

	Water Works	Sewer Maintenance	Nonmajor Proprietary Funds	Total
Operating Revenues:				
Charges for Services:				
Water sales .....	\$ 95,415	\$ -	\$ -	\$ 95,415
Statutory sewer user fee .....	-	-	60,575	60,575
Sewer maintenance fee .....	-	76,696	-	76,696
Rent .....	-	-	14,093	14,093
Fire protection service .....	8,916	-	-	8,916
Parking meters .....	-	-	4,440	4,440
Parking permits .....	-	-	3,210	3,210
Vehicle towing .....	-	-	6,996	6,996
Parking forfeitures .....	-	-	11,303	11,303
Other .....	10,390	-	2,142	12,532
Total Operating Revenues .....	<u>114,721</u>	<u>76,696</u>	<u>102,759</u>	<u>294,176</u>
Operating Expenses:				
Milwaukee Metropolitan Sewerage District charges .....	-	-	55,485	55,485
Employee services .....	-	9,383	11,329	20,712
Administrative and general .....	15,948	-	-	15,948
Depreciation .....	20,475	10,257	4,079	34,811
Transmission and distribution .....	26,213	-	-	26,213
Services, supplies, and materials .....	-	9,211	33,495	42,706
Water treatment .....	17,982	-	-	17,982
Water pumping .....	11,505	-	-	11,505
Billing and collection .....	3,455	-	-	3,455
Total Operating Expenses .....	<u>95,578</u>	<u>28,851</u>	<u>104,388</u>	<u>228,817</u>
Operating Income (Loss) .....	<u>19,143</u>	<u>47,845</u>	<u>(1,629)</u>	<u>65,359</u>
Nonoperating Revenues (Expenses):				
Investment income .....	795	861	-	1,656
Grant revenue .....	-	4,436	1,504	5,940
Interest expense .....	(1,821)	(6,894)	(852)	(9,567)
Other .....	506	(29,430)	773	(28,151)
Total Net Nonoperating Revenues (Expenses) .....	<u>(520)</u>	<u>(31,027)</u>	<u>1,425</u>	<u>(30,122)</u>
Income (Loss) before Contributions and Transfers ...	18,623	16,818	(204)	35,237
Capital contributions .....	652	-	-	652
Transfers in .....	-	-	845	845
Transfers out .....	(14,312)	-	(4,278)	(18,590)
Change in Net Position .....	4,963	16,818	(3,637)	18,144
Net Position - Beginning, as previously reported .....	492,247	358,903	8,326	859,476
Pension Error Correction .....	(1,405)	(186)	(168)	(1,759)
Net Position - Beginning, as restated .....	490,842	358,717	8,158	857,717
<b>Total Net Position - Ending .....</b>	<b><u>\$ 495,805</u></b>	<b><u>\$ 375,535</u></b>	<b><u>\$ 4,521</u></b>	<b><u>\$ 875,861</u></b>

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

CITY OF MILWAUKEE  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit B-3

	<b>Water Works</b>	<b>Sewer Maintenance</b>	<b>Nonmajor Proprietary Funds</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers and users .....	\$ 102,886	\$ 74,972	\$ 103,275	\$ 281,133
Receipts from interfund services provided .....	7,065	-	-	7,065
Payments to suppliers .....	(29,347)	21,965	(95,586)	(102,968)
Payments to employees .....	(27,287)	(9,196)	(12,338)	(48,821)
Payments to other funds .....	-	(41,594)	12,371	(29,223)
Payments from other funds .....	-	243	-	243
Miscellaneous revenue .....	-	1,778	-	1,778
	<u>53,317</u>	<u>48,168</u>	<u>7,722</u>	<u>109,207</u>
Net Cash Provided by Operating Activities.....				
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers from other funds .....	-	-	845	845
Transfers to other funds .....	(14,312)	-	(4,278)	(18,590)
	<u>(14,312)</u>	<u>-</u>	<u>(3,433)</u>	<u>(17,745)</u>
Net Cash Used by Noncapital Financing Activities .....				
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from sale of bonds and notes .....	8,989	233	1,226	10,448
Acquisition of property, plant, and equipment .....	(54,646)	(19,659)	(2,490)	(76,795)
Retirement of bonds, notes, and revenue bonds .....	(5,646)	(19,535)	(3,097)	(28,278)
Interest paid .....	(1,843)	(8,678)	(848)	(11,369)
	<u>(53,146)</u>	<u>(47,639)</u>	<u>(5,209)</u>	<u>(105,994)</u>
Net Cash Used for Capital and Related Financing Activities .....				
<b>CASH FLOWS FROM INVESTING ACTIVITY:</b>				
Investment income .....	795	208	-	1,003
	<u>795</u>	<u>208</u>	<u>-</u>	<u>1,003</u>
Net Increase (Decrease) in Cash and Cash Equivalents .....	(13,346)	737	(920)	(13,529)
Cash and Cash Equivalents - Beginning .....	52,577	22,472	1,619	76,668
<b>Cash and Cash Equivalents - Ending .....</b>	<b><u>\$ 39,231</u></b>	<b><u>\$ 23,209</u></b>	<b><u>\$ 699</u></b>	<b><u>\$ 63,139</u></b>

CITY OF MILWAUKEE  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit B-3

	Water Works	Sewer Maintenance	Nonmajor Proprietary Funds	Total
Cash and Cash Equivalents at Year-End Consist of:				
Unrestricted Cash .....	\$ 34,861	\$ 4,765	\$ 699	\$ 40,325
Restricted Cash .....	<u>4,370</u>	<u>18,444</u>	<u>-</u>	<u>22,814</u>
	<u>\$ 39,231</u>	<u>\$ 23,209</u>	<u>\$ 699</u>	<u>\$ 63,139</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss) .....	\$ 19,143	\$ 47,845	\$ (1,629)	\$ 65,359
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation .....	20,475	10,257	4,079	34,811
Nonoperating income (loss) .....	506	(27,108)	2,707	(23,895)
Effect of changes in assets, liabilities, deferred inflows and deferred outflows:				
Receivables .....	(2,462)	(2,268)	(2,367)	(7,097)
Due from other funds .....	4,242	243	4,431	8,916
Inventories .....	(60)	(131)	-	(191)
Prepaid items .....	809	(15)	-	794
Other assets .....	(50)	-	-	(50)
Accounts payable .....	12,900	1,866	(6,446)	8,320
Accrued liabilities .....	-	172	(661)	(489)
Compensated absences .....	893	63	51	1,007
Total other postemployment benefits obligation .....	(2,269)	(331)	(200)	(2,800)
Net pension liability .....	(810)	2,702	3,247	5,139
Due to other funds .....	-	17,292	7,914	25,206
Deferred leases inflows.....	-	-	(226)	(226)
Deferred pension inflows .....	-	(5)	(2)	(7)
Deferred pension outflows .....	-	(1,998)	200	(1,798)
Deferred OPEB inflows .....	-	(1,286)	(1,679)	(2,965)
Deferred OPEB outflows .....	<u>-</u>	<u>870</u>	<u>(1,697)</u>	<u>(827)</u>
Net Cash Provided by Operating Activities .....	<u>\$ 53,317</u>	<u>\$ 48,168</u>	<u>\$ 7,722</u>	<u>\$ 109,207</u>

Non-cash Activities:

During the year, water mains and related property, installed by others were deeded to the Water Works in the amount of \$652.

During the year the City recognized bond premium in the Water Works of \$23 and Sewer Maintenance of \$1,823.

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



CITY OF MILWAUKEE  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2024**  
*(Thousands of Dollars)*

Exhibit C-1

	Employee Benefit Trusts	Private- Purpose Trusts	Custodial Funds
<b>ASSETS</b>			
Cash and cash equivalents .....	\$ 2,347	\$ 4,407	\$ 99,338
Taxes receivable .....	<u>-</u>	<u>-</u>	<u>362,528</u>
Total Assets .....	<u>2,347</u>	<u>4,407</u>	<u>461,866</u>
<b>LIABILITIES</b>			
Liabilities:			
Accounts payable .....	\$ 339	\$ 176	\$ 2,068
Due to other governmental agencies .....	<u>-</u>	<u>-</u>	<u>459,798</u>
Total Liabilities .....	<u>339</u>	<u>176</u>	<u>461,866</u>
Net Position:			
Restricted for Employees' benefits and other purposes .....	<u><b>\$ 2,008</b></u>	<u><b>\$ 4,231</b></u>	<u><b>\$ -</b></u>

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

CITY OF MILWAUKEE  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit C-2

	Employee Benefit Trusts	Private- Purpose Trusts	Custodial Funds
Additions			
Contributions:			
Plan members .....	\$ 5,965	\$ -	\$ -
Private donations .....	-	3,350	-
Total Contributions .....	<u>5,965</u>	<u>3,350</u>	<u>-</u>
Property Taxes:			
Property Tax .....	-	-	2,100,432
Total Property Taxes .....	<u>-</u>	<u>-</u>	<u>2,100,432</u>
Investment Earnings:			
Net appreciation in fair value of investments, dividends and interest .....	-	11	56
Total Additions .....	<u>5,965</u>	<u>3,361</u>	<u>2,100,488</u>
Deductions			
Benefits .....	5,859	-	-
Fees remitted to agency .....	-	1,206	2,421
Taxes remitted to other governments .....	-	-	2,098,067
Total Deductions .....	<u>5,859</u>	<u>1,206</u>	<u>2,100,488</u>
Change in Net Position .....	106	2,155	-
Net Position - Beginning .....	<u>1,902</u>	<u>2,076</u>	<u>-</u>
Net Position - Ending .....	<u>\$ 2,008</u>	<u>\$ 4,231</u>	<u>\$ -</u>

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

CITY OF MILWAUKEE  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit D-1

	Redevelopment Authority	Neighborhood Improvement Development Corporation	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Current Assets:			
Cash and cash equivalents .....	\$ 8,672	\$ 2,102	\$ 10,774
Restricted cash and cash equivalents .....	7,459	966	8,425
Receivables (net):			
Accounts .....	338	31	369
Notes and loans .....	10,283	35	10,318
Accrued interest .....	493	54	547
Leases receivable .....	1,467	-	1,467
Due from primary government .....	29	-	29
Due from other governmental agencies .....	158	-	158
Inventory of property for resale .....	7,004	404	7,408
Prepaid items .....	32	-	32
	<u>35,935</u>	<u>3,592</u>	<u>39,527</u>
Total Noncapital Assets .....			
Capital assets:			
Capital assets not being depreciated:			
Land and land improvements .....	10,593	-	10,593
Construction in progress .....	1,606	-	1,606
Capital assets being depreciated:			
Buildings .....	14,174	-	14,174
Infrastructure .....	13,371	-	13,371
Improvements other than buildings .....	4,263	-	4,263
Machinery and equipment .....	6	-	6
Intangible software .....	565	-	565
Accumulated depreciation .....	(10,476)	-	(10,476)
Subscription assets, net .....	66	-	66
	<u>34,168</u>	<u>-</u>	<u>34,168</u>
Total Capital Assets, Net of Depreciation			
	<u>70,103</u>	<u>3,592</u>	<u>73,695</u>
Total Assets .....			

CITY OF MILWAUKEE  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit D-1

	Redevelopment Authority	Neighborhood Improvement Development Corporation	Total
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
Current Liabilities:			
Accounts payable .....	\$ 1,910	\$ 27	\$ 1,937
Due to other governmental agencies .....	3,209	-	3,209
Unearned revenue .....	301	44	345
Other liabilities .....	<u>-</u>	<u>340</u>	<u>340</u>
Total Current Liabilities .....	<u>5,420</u>	<u>411</u>	<u>5,831</u>
Due to primary government:			
Due within one year .....	875	305	1,180
Due in more than one year .....	<u>6,572</u>	<u>-</u>	<u>6,572</u>
Total Due to Primary Government .....	<u>7,447</u>	<u>305</u>	<u>7,752</u>
Long-term obligations:			
Due in more than one year .....	<u>1,582</u>	<u>-</u>	<u>1,582</u>
Total Noncurrent Liabilities .....	<u>1,582</u>	<u>-</u>	<u>1,582</u>
Total Liabilities .....	<u>14,449</u>	<u>716</u>	<u>15,165</u>
Deferred Inflows of Resources			
Deferred inflows for leases .....	<u>1,467</u>	<u>-</u>	<u>1,467</u>
<b>NET POSITION:</b>			
Net investment in capital assets .....	34,168	-	34,168
Restricted for loan and development purposes .....	9,832	636	10,468
Unrestricted .....	<u>10,187</u>	<u>2,240</u>	<u>12,427</u>
Total Net Position .....	<u><b>\$ 54,187</b></u>	<u><b>\$ 2,876</b></u>	<u><b>\$ 57,063</b></u>

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

CITY OF MILWAUKEE  
**COMBINING STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit D-2

		<u>Program Revenues</u>	<u>Grants and Contributions</u>	
	Expenses	Charges for Services	Operating	Capital
<b>Redevelopment Authority</b>				
Prevention and elimination of blight .....	\$ 4,997	\$ 2,485	\$ 668	\$ 14,643
<b>Neighborhood Improvement Development Corp.</b>				
Housing improvements .....	<u>597</u>	<u>156</u>	<u>115</u>	<u>-</u>
Total Component Units .....	<u>\$ 5,594</u>	<u>\$ 2,641</u>	<u>\$ 783</u>	<u>\$ 14,643</u>

General revenues:	
Miscellaneous .....	
Total General Revenues .....	
Change in Net Position .....	
Net Position - Beginning .....	
Net Position - Ending .....	

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

<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Redevelopment Authority</b>	<b>Neighborhood Improvement Development Corporation</b>	<b>Total</b>
\$ 12,799	\$ -	\$ 12,799
<u>-</u>	<u>(326)</u>	<u>(326)</u>
<u>12,799</u>	<u>(326)</u>	<u>12,473</u>
 <u>657</u>	 <u>302</u>	 <u>959</u>
<u>657</u>	<u>302</u>	<u>959</u>
13,456	(24)	13,432
<u>40,731</u>	<u>2,900</u>	<u>43,631</u>
<b><u>\$ 54,187</u></b>	<b><u>\$ 2,876</u></b>	<b><u>\$ 57,063</u></b>

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**NOTES  
TO THE  
FINANCIAL  
STATEMENTS**



CITY OF MILWAUKEE  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2024

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

**A. Reporting Entity**

The City of Milwaukee (the "City") was incorporated on January 31, 1846, and operates under a Council-Mayor form of government. These financial statements present the City (the primary government) and other organizations, including component units, 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 or incomplete. The component units discussed below are legally separate organizations for which the elected officials of the City are accountable. The City is considered financially accountable if it appoints a voting majority of the organization's governing body and is able to impose its will on the organization, or there is a potential for the organization to provide specific financial benefits to or burdens on the City. The City may be financially accountable if an organization is fiscally dependent on the primary government.

**Discretely Presented Component Units**

The component unit's columns in the government-wide financial statements include the financial data of the City's component units. They are reported in a separate column to emphasize that they are legally separate from the City. The City has the following discretely presented component units:

*Redevelopment Authority* - The Redevelopment Authority of the City of Milwaukee (RACM) is responsible for activities related to the prevention and elimination of blighted conditions in the City. The City appoints all members of the Board and approves the budget.

*Neighborhood Improvement Development Corporation* - The Neighborhood Improvement Development Corporation (NIDC) is a nonprofit organization established to promote reinvestment in both housing and commercial structures within the City. NIDC programs encourage private lending institutions and property owners to make improvements to the community's homes and businesses. Corporate officers of NIDC are provided by the City and City employees manage daily operations.

Financial statements of the individual component units can be obtained from their respective administrative offices. Addresses of the component units are as follows: RACM, 809 North Broadway, 3<sup>rd</sup> Floor, Milwaukee, Wisconsin 53202, NIDC, 841 North Broadway, 3<sup>rd</sup> Floor, Milwaukee, Wisconsin 53202.

The basic financial statements exclude the accounts of the Housing Authority of the City of Milwaukee (HACM), Milwaukee Economic Development Corporation (MEDC), Employ Milwaukee, Business Improvement Districts, Neighborhood Improvement Districts, Wisconsin Center District, Milwaukee Public Schools, the Milwaukee Metropolitan Sewerage District (MMSD), World Festivals Inc. ("Summerfest") and the Employees' Retirement System of the City of Milwaukee, because these entities do not meet the criteria established by GASB Statements 14, 61, 69 and 80, as component units of the City.

MMSD is a special purpose municipal corporation created to provide sewerage treatment services in the Milwaukee metropolitan area. The City is responsible for paying usage charges within its jurisdiction. These amounts, in turn, are billed by the City to its water customers. The City has no equity interest in MMSD. Financial statements for MMSD are available from its administrative office.

**Related Organizations**

*Housing Authority of the City of Milwaukee*

The Housing Authority of the City of Milwaukee (HACM) is responsible for the construction and management of safe, affordable, and quality housing with services that enhance residents' self-sufficiency. HACM is governed by a seven-member Board of Commissioners who are appointed by the Mayor and confirmed by the Common Council. The City does not have the ability to remove HACM commissioners at will. HACM determines its own budget, issues debt, and establishes and revises rents or charges without the approval of the City. The City is not legally obligated for any HACM obligations or debt.

CITY OF MILWAUKEE  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2024

*Employ Milwaukee*

Employ Milwaukee (fka Milwaukee Area Workforce Investment Board or MAWIB) was established to provide job training, employment services, and workforce development within Milwaukee County. Employ Milwaukee (the Agency) acts as Milwaukee County's recipient, dispenser, and administrator of funding provided under the Workforce Innovation and Opportunity Act. The City of Milwaukee Mayor is the chief local elected officer responsible for oversight of the Agency. The directors of Employ Milwaukee are appointed by the Mayor. The City is not legally obligated for any Agency obligations or debt nor is the City entitled to access funds of the Agency.

*Business Improvement Districts*

Business Improvement Districts (BIDs) are formed and operated in accordance with Wis. Stat. § 66.1109. BID board members are appointed from the business owners within a district. The City collects special property assessments, in accordance with the BID boards, and returns these assessments to the BIDs to fund their annual operating plans. The City is not legally obligated for any BID obligations or debt.

*Neighborhood Improvement Districts*

Neighborhood Improvement Districts (NIDs) are formed and operated in accordance with Wis. Stat. § 66.1110. NID board members are elected by the residential and commercial property owners within a district. The City collects special property assessments, in accordance with the NID boards, and returns these assessments to the NIDs to fund their annual operating plans. The City is not legally obligated for any NID obligations or debt.

**B. Basis of Presentation**

**Government-wide Statements.** The government-wide statement of net position and statement of activities report the overall financial activity of the City, excluding fiduciary activities. Eliminations have been made to minimize the double counting of internal activities of the City. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) fines, fees, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements.** The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary are presented. The emphasis on fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of rents, sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting these criteria are reported as nonoperating expenses. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental funds:

**General Fund** – The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

**General Obligation Debt Service** – This fund accounts for the resources accumulated and payments made for principal and interest on the City's outstanding long-term general obligation debt.

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**Public Debt Amortization** – This fund receives one-third of all interest on general City and Fund investments. Fund earnings are required to be used for the purpose of public debt retirement. The Public Debt Amortization Fund is governed by Section 67.101 of the Wisconsin Statutes. See Note 7 for further discussion.

**Economic Development Fund** – This Special Revenue fund is used to account for all non-capital TID transactions, including debt service payments. This fund is also used to account for revenues and expenditures related to owner-financed development projects in commercial (Business Improvement Districts) and residential (Neighborhood Improvement Districts) areas

**Grant and Aid Projects Fund** – This Special Revenue fund is used to account for Federal and State grants whose proceeds are legally restricted to expenditures for specific purposes and which are not accounted for in other special revenue funds.

**Capital Projects Fund** – The Capital Projects Fund is used to account for the financial resources segregated for the acquisition or construction of major capital expenditures other than those financed by proprietary funds.

The City reports the following non-major governmental funds:

**Community Development Block Grant Fund** – This Special Revenue fund is used to account for federal housing and community development grants whose proceeds are legally restricted to expenditures for specific purposes.

**Settlement Fund** - This Special Revenue fund is used to account for legal settlements from national class action suits related to opioids and electronic vaping products.

**Delinquent Tax Fund** – This fund is a reserve against uncollected delinquent property taxes and tax foreclosures on real property.

The City reports the following major proprietary funds:

**Water Works** – All activities necessary to provide water services to residents of the City and outlying areas. Fund activities include administration, billing and collection, operations, maintenance and financing.

**Sewer Maintenance** – This fund accounts for the maintenance of the City's sewer system. Wisconsin State Statutes Section 66.0821, permits municipalities to implement sewer fees to recover the costs of operation, maintenance, repair, and depreciation of sewer collection and transportation facilities. Sewer maintenance costs are recovered through a user fee rather than through the property tax.

The City reports the following non-major proprietary funds:

**Transportation** – This fund accounts for the parking operations of the City as well as the street car operation.

**Port Milwaukee** – This fund accounts for the operations of the port and harbor.

**Metropolitan Sewerage District User Charge** – This fund accounts for sewerage treatment charges from the Milwaukee Metropolitan Sewerage District and subsequent billing to City customers.

Additionally, the City reports the following fiduciary fund types:

**Employee Benefit Trusts** – This fund accounts for resources for employee flexible spending plans.

**Private Purpose Trust** – These funds account for resources legally held in trust for use by various individuals, governmental entities, and nonpublic corporations. All resources of these funds, including any earnings on invested resources, may be used to support each trust's initiatives.

**Custodial** – These funds account for taxes and deposits collected by the City, acting in the capacity of a custodian, for distribution to other governmental units or designated beneficiaries.

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**C. Basis of Accounting – Measurement Focus**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property tax revenue, grants, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. Taxes levied in 2024 that will be collected in 2025 are recorded as receivable and deferred inflows of resources. Deferred inflows of resources arise when assets are recognized before revenue recognition criteria have been satisfied. Revenue from grants and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues, excluding property taxes, to be available if they are collected within 90 days of the end of the current year. Property taxes are considered to be available if they are collected within 60 days of the end of the current year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases and subscriptions are reported as other financing sources.

Significant revenue sources, which are susceptible to accrual include property taxes, state shared revenues, grants, contributions, and interest. All other revenue sources including licenses, permits, fines, and forfeits are considered to be measurable and available only when cash is received.

**D. Cash and Cash Equivalents**

For purposes of the statements of cash flows, all highly liquid investments (including restricted cash and investments) purchased with a maturity of three months or less are considered to be cash equivalents. The City manages a cash and investment pool to maximize return on funds while providing liquidity to meet day-to-day obligations. Each fund's equity in the City's investment pool is considered a cash equivalent, since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

**E. Investments**

Investments, primarily consisting of fixed income securities, are reported at fair value based on quoted market prices. Commercial paper, which is short term, defined as having an original maturity of one year or less, and highly liquid is carried at amortized cost. Investment transactions are recorded on the trade date. Under Wisconsin Statutes, one-third of all interest on pooled cash and investments is allocated to the Public Debt Amortization Fund. The remaining two-thirds is credited to the General Fund. Each fund type's portion of pooled cash and investments is included in the cash and cash equivalents line on the Statement of Net Position/Balance Sheet.

Wisconsin Statute Section 66.0603 permits the City to invest funds not immediately needed in any of the following:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association authorized to transact business in the State of Wisconsin.
- Bonds or securities issued or guaranteed by the Federal government.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the State of Wisconsin, as well as bonds issued by a local exposition district, a local professional baseball park district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- Local Government Investment Pool - Investment Fund of the State of Wisconsin. The Local Government Pooled Investment Fund is an external investment pool administered by the State of Wisconsin. The fair value of the City's investment in the

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fund is the same as the value of the pooled shares. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of Section 25.50 of the Wisconsin Statutes.

- . Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities.
- . Any security that matures or that may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating, which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service, Inc., or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
- . Securities of open-end management investment companies or investment trusts (mutual funds) if the portfolio is limited to (a) bonds and securities issued by the federal government or a commission, board, or other instrumentality of the federal government, (b) bonds that are guaranteed as to principal and interest by the federal government or a commission, board, or other instrumentality of the federal government, and (c) repurchase agreements that are fully collateralized by these bonds or securities.

**F. Property Taxes**

Property taxes are recorded as receivables and deferred inflows in the taxing fund in the year levied because the taxes are restricted to funding the succeeding year's budget appropriations. Property tax payments received prior to year-end are also reflected in the taxing fund. Property taxes are recognized in the appropriate funds as revenues in the succeeding year when they are collected and available to finance City services. If not collected at year-end, the delinquent property taxes are reflected as receivables and deferred inflows. Delinquent property taxes and related interest are recognized as revenues when collected.

The allowance for uncollectible property taxes is based on an analysis of the delinquent property taxes and, in management's judgment, represents an amount adequate to provide for potential uncollectible taxes. The allowance is increased by provisions charged against revenues and is reduced by taxes receivable written off.

The City, through its Special Revenue Fund - Delinquent Tax, issues general obligation short-term promissory notes to finance the purchase of the most recent delinquent taxes from its General Fund. Collections on these delinquencies are used for the associated debt service requirements.

**G. Accounts Receivable**

Accounts receivable are presented net of allowances. The amount of the General Fund allowance as of December 31, 2024 was approximately \$15,400,000. Accounts receivable are expected to be collected within one year. However, the collection of some receivables may take longer.

Delinquent accounts for business type activities are presented in accounts receivable net of allowances. The amounts of the Water, Sewer, and Nonmajor Proprietary funds allowances as of December 31, 2024 were approximately \$435,800, \$86,000 and \$634,000 respectively.

**H. Unbilled Services**

Unbilled water and sewer services at year-end are recognized as revenues and receivables in the accompanying financial statements.

**I. Special Assessments**

Special assessments consist of capital projects constructed through non-special-assessment debt. In governmental fund financial statements, special assessments are recorded as receivables and deferred revenues when the related capital outlays are made and are recorded as revenues when due and payable. In the government-wide financial statements, special assessments are recorded as receivables and capital contribution revenue when the capital outlays are made. All special assessments are due when billed and may be paid on an installment basis with interest. Special assessment receivables that become delinquent are added to the general tax roll. The method of enforcing collections is the same as for general city taxes with like force and effect.

**J. Notes and Loan Receivables**

The Grant & Aid Projects Fund and the Special Revenue Fund - Community Development Block Grant hold notes and loans receivable from individuals, small businesses, and corporations in the Milwaukee area that are secured by primary or secondary

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security interests in real estate or other assets. The City periodically analyzes the collectability of the notes and loans that are not insured and provides allowances as considered necessary. The amount of the allowance in the governmental funds are approximately \$17,788,000 as of December 31, 2024.

The City creates tax incremental districts (TID) to issue debt to fund redevelopment projects. Pursuant to a cooperation agreement between the City, the Redevelopment Authority of the City of Milwaukee (Authority), and the Milwaukee Economic Development Corporation (Corporation), the City provides the Authority and the Corporation with the funds necessary to carry out the loan to a private developer to finance the redevelopment projects. Loan repayments to the Authority and the Corporation from the private developer, including interest income as well as other project income, are transferred to the City until the City's loan has been repaid or the TID expires. The City reflects these loans as notes receivable and deferred inflows in governmental fund financial statements based on an amount estimated to be repaid from the Authority and the Corporation.

**K. Inventories**

Inventories of materials and supplies are stated at moving average cost, based upon perpetual recordkeeping systems and periodic cycle counts of quantities on hand. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased therefore inventories are classified as non-spendable in fund balance.

**L. Prepaid Items**

Cash payments benefiting future periods have been recorded as prepaid items. They will be reflected as expenditures or expenses when incurred in the subsequent year and are classified as non-spendable in fund balance.

**M. Leases and Subscription Based Information Technology Agreements (SBITA)**

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The City continues to report and depreciate the capital assets being leased as capital assets of the primary government.

The City is a lessee because it leases capital assets and the right to use subscription based information technology arrangements (SBITA) from other entities. As a lessee, the City reports a lease and SBITA liability and an intangible right-to-use capital asset (known as the lease or SBITA asset) on the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, the City recognizes lease and SBITA proceeds and capital outlay at initiation of the lease and the outflow of resources for the lease or SBITA liability as a debt service payment.

**N. Capital Assets**

Capital assets, which include property, plant, and equipment, and infrastructure, are reported at cost or estimated historical cost. Contributed assets are reported at replacement value at the time received. General infrastructure assets, such as roads, bridges, curbs, gutters, streets, sidewalks, and drainage and lighting systems, acquired prior to January 1, 2002 are reported at estimated historical cost using deflated replacement cost. Capital assets are depreciated using the straight-line method. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Major capital outlays for capital assets of business-type activities are included as part of the capitalized value of the assets constructed. Interest expenses incurred during construction are not capitalized as part of the additions to capital assets.

Capitalization thresholds and the estimated useful lives for the City and component units are as follows:

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Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Infrastructure.....	\$ 20,000	5-100 years
Land.....	20,000	N/A
Land Improvements.....	20,000	N/A
Intangible right of ways.....	20,000	N/A
Site Improvements.....	20,000	3-50
Buildings.....	20,000	10-60
Building Improvements.....	20,000	10-45
Machinery and equipment.....	20,000	3-40
Works of Art, Historical Treasures.....	20,000	N/A
Intangible Software.....	100,000	5-20
Lease Right to Use.....	20,000	lease term
SBITA's.....	100,000	contract term

**O. Pension Contributions**

The employer's share of the annual contribution is recorded in the proprietary funds and government-wide financial statements as an expense when the liability is incurred and in the governmental funds as expenditure when the liability is liquidated with expendable available financial resources.

**P. Compensated Absences**

The liability for compensated absences reported in the government-wide, and proprietary fund financial statements consists of unpaid, accumulated vacation, and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability has been calculated based on the employees' current salary level and includes salary related costs (e.g., social security and Medicare tax). A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. City employees accrue sick leave in accordance with labor agreements or Section 350-37 of the Code of Ordinances.

**Q. Claims and Judgments**

The liability for claims and judgments is reported in the government-wide, proprietary, and fiduciary fund financial statements when they are both probable and estimable. A liability for claims and judgments is reported in governmental funds only if they have matured (i.e., are due). The City accrues environmental remediation obligations when related liabilities are probable and reasonably estimable. These accruals generally are recognized no later than completion of a remedial feasibility study and are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value.

**R. Debt Premiums, Discounts, and Issuance Costs**

In the government-wide and proprietary fund financial statements, debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Long-term debt payable are reported net of the applicable debt premium or discount. Debt issuance costs are expensed in the current period.

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

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**S. Fund Balance-Governmental Funds**

The fund balances of the governmental funds are classified as follows:

***Nonspendable*** – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

***Restricted*** – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

***Committed*** – Amounts that can be used only for specific purposes determined by a formal action of the City's Common Council. The Common Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Common Council.

***Assigned*** – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. It is the policy of the City that the City Comptroller will have the authority to assign funds intended for a specific purpose but have not received formal approval by the Common Council. The Comptroller records funds as assigned fund balance based on intentions for use of the funds and can redeploy assigned resources to an alternative fund balance category based on intended use of the funds.

***Unassigned*** – The general fund is the only fund which will report a positive amount in this category, which includes all other spendable amounts.

When an expenditure is incurred for purposes for which restricted, committed, assigned, or unassigned amounts are available, it is the policy of the City to consider restricted amounts to have been reduced first followed by committed, assigned and then unassigned fund balance unless the order of fund balance usage is dictated by legal, borrowing or other requirements.

**T. Net Position**

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

***Net Investment in Capital Assets*** – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

***Restricted*** – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources when they are needed.

***Unrestricted*** – This consists of net assets that do not meet the definition of "Restricted" or "Net investment in capital assets."

**U. Interfund Transactions**

The City has the following types of interfund transactions:

***Loans*** – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e. due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds. The noncurrent portions of long-term interfund loans receivable are reported as advances.

***Services provided and used*** – sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net position.



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**Reimbursements** – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursement is reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers** – flows of assets (such as cash or goods) without equivalent flows of assets in return, including payments in lieu of taxes, and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In entity-wide proprietary funds, transfers are reported after nonoperating revenues and expenses.

**V. Use of Estimates**

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

**W. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position reports a separate section for Deferred Outflows of Resources. Deferred Outflows of Resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has two items that qualify for inclusion within this category, both of which are reported in the government-wide statement of net position (Exhibit 1).

- Pension deferred outflows are a deferred expense related to: differences between expected and actual experience, the net difference between projected and actual earnings on pension plan investments and changes of assumptions. Deferred outflows due to liabilities are amortized over the average expected service lives of all employees of 3.33 years. Deferred outflows due to the net difference between projected and actual earnings are amortized over 5.00 years.
- OPEB deferred outflows are related to the differences between expected and actual non-investment experience and plan assumption changes. Deferred outflows due to liabilities are amortized over the average expected service lives of all employees of 6.21 years. Deferred outflows due to the net difference between projected and actual earnings are amortized over 5.00 years.

In addition to liabilities, the Statement of Net Position reports a separate section for Deferred Inflows of Resources. Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has six items that qualify for inclusion within this category, all reported in the government-wide statement of net position (Exhibit 1).

- Gain on refunding is a deferred revenue resulting from the difference between the carrying value of refunded debt and the refunding debt. The gain is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred inflows for grants is the amount of grant funds received prior to meeting the eligibility requirements. This deferred inflow will be recognized as revenue when the funds are spent.
- Subsequent years property taxes is the amount of the current year property tax levy. This deferred inflow is recognized as revenue in the subsequent year.
- Pension deferred inflows are a reduction in pension expense due to: differences between expected and actual experience, the net difference between projected and actual earnings on pension plan investments and changes of assumptions. Deferred inflows due to liabilities are amortized over the average expected service lives of all employees of 3.79 years. Deferred inflows due to the net difference between projected and actual earnings are amortized over 5.00 years.
- OPEB deferred inflows are related to the differences between expected and actual non-investment experience and plan assumption changes. Deferred outflows due to liabilities are amortized over the average expected service lives of all employees of 6.34 years. Deferred outflows due to the net difference between projected and actual earnings are amortized over 5.00 years.
- Leases as reported under GASB 87 are deferred inflows where the future revenue will be reported over the life of the lease, which is recorded at the initial measurement of leases receivable.

**X. Pension Obligations**

**Plan Description** - The City participates in two plans the Employees' Retirement System of the City of Milwaukee (ERS) and the Wisconsin Retirement System (WRS) collectively "The System", both are cost-sharing multiple-employer defined benefit pension plans. The plans provide retirement, disability, and death benefits to plan members and beneficiaries.

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*Funding Policy* – Plan members are required to contribute, or have contributed on their behalf, a percentage of their annual earnable compensation. The City is required to contribute an actuarial contribution based on separate calculated rates for police officers, firefighters, and general City employees.

*Measurement Focus and Basis of Accounting* – The System is accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Contributions are recognized in the accounting period in which the underlying earnings, on which the contributions are based, are paid. Benefits and refunds are recognized when due and payable in accordance with the terms of the System. Investment transactions and the related gains and losses are recorded on a trade date basis. Dividend and interest income are accrued as earned. Investments are reported at fair value. See Note 8 for a detailed explanation of pension benefits and the System.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, and information about the fiduciary net position of the System. Additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by ERS and WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**Y. OPEB Obligations**

*Plan Description* – The City provides a single-employer defined benefit healthcare plan, and life insurance administered by both the City and Milwaukee's Employees' Retirement System. There are different premium cost-sharing arrangements depending on employee type, age and date of retirement.

*Funding Policy* – The contribution of plan members and the City are established and may be amended by the City. The required City contribution for medical and life insurance for retirees is based on a pay-as-you-go basis.

*Measurement Focus and Basis of Accounting* – Benefits are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. See Note 8 for a detailed explanation of OPEB benefits.

**Z. New Accounting Pronouncements**

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections. This Statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement was implemented January 1, 2024.

In June 2022, the GASB issued Statement No. 101, Compensated Absences. This Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement was implemented January 1, 2024.

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures. This statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by a formal action of the government's highest level of decision making authority. This statement will be effective for the year-ending December 31, 2025 financial statements.

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model improvements. This statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and asserting a government's accountability. This statement will be effective for the year-ending December 31, 2026 financial statements.

In September 2024, the GASB issued Statement No. 104, Disclosure of Certain Capital Assets. This statement is to improve key components of the financial reporting model regarding reporting of intangible assets, including those measured according to GASB 87, 94 and 96, and capital assets held for sale. This statement will be effective for the year-ending December 31, 2026 financial statements.

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**2. DEPOSITS AND INVESTMENTS**

**A. Primary Government**

The description of the City's deposit and investment policies are discussed in Note 1. D. and E.

As of December 31, 2024, the City's deposits and investments are as follows:

	Investment Maturities (in Years) (Thousands of Dollars)					
	Fair Value	Less than 1	1-5	6-10	Greater than 10	Credit Rating
<b>Governmental and Business-type activities:</b>						
<i>Investment type</i>						
Pooled Deposits and Investments .....	\$ 629,440	\$ 629,375	\$ -	\$ -	\$ 65	see below
Segregated Deposits and Investments						
Interest Checking .....	21,733	21,733	-	-	-	not rated
Wisconsin Local Government						
Investment Pool .....	108,133	108,133	-	-	-	not rated
Municipal Bonds .....	22,289	4,593	17,696	-	-	see below
GNMA Bonds .....	10,220	-	-	10,220	-	Aaa
Treasuries/Money Market (Fiscal Agent) .....	52,190	52,190	-	-	-	not rated
	<u>\$ 844,005</u>	<u>\$ 816,024</u>	<u>\$ 17,696</u>	<u>\$ 10,220</u>	<u>\$ 65</u>	
<b>Fiduciary activities:</b>						
<i>Investment type</i>						
Pooled Deposits and Investments .....	\$ 104,782	\$ 104,782	\$ -	\$ -	\$ -	see below
Segregated Deposits and Investments						
Wisconsin Local Government						
Investment Pool .....	1,310	1,310	-	-	-	not rated
	<u>\$ 106,092</u>	<u>\$ 106,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**Credit Ratings**

The Governmental and Business-type municipal bond holdings of \$22,289,000 were rated by Moody's as follows:  
A1 (4%), Aa1 (11%), Aa2 (63%), Aaa (18%), and S & P AA (2%), AA- (2%).

**Pooled Deposits and Investments**

The City maintains a cash and investment pool (Pool) that is available for use by all the funds, except for Debt Service Funds, Water Works Proprietary Fund, and component entities. Each fund's share of pooled cash and investments is included in the cash and cash equivalents line on the Statement of Net Position/Balance Sheet.

CITY OF MILWAUKEE  
**NOTES TO THE FINANCIAL STATEMENTS**  
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As of December 31, 2024, the City had the following investments and maturities in the Pool:

	<i>(Thousands of Dollars)</i>					
	Fair Value	Less than 1	1-5	6-10	Greater than 10	Credit Rating
<b>Pooled Deposits and Investments</b>						
Bank Demand Deposits .....	\$ 23,958	\$ 23,958	\$ -	\$ -	\$ -	not rated
Other Deposits .....	26,117	26,117	-	-	-	not rated
Deposits and Investments			-	-		
Interest Checking .....	221,746	221,746	-	-	-	not rated
Wisconsin Local Government			-	-		
Investment Pool .....	447,401	447,401	-	-	-	not rated
U.S. Bank Investment Portfolio			-	-		
Money Market.....	6,000	6,000	-	-	-	not rated
Corporate Bond.....	3,981	3,981	-	-	-	see below
U.S. Government Securities						
FNMA Bond.....	65	-	-	-	65	Aaa
Treasury Note.....	4,954	4,954	-	-	-	Aaa
	<u>\$ 734,222</u>	<u>\$ 734,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65</u>	

#### Investment Portfolio Ratings

Corporate bond holdings of \$3,981,000 were rated by Moody's as follows: A1 (25%), Aa2 (25%) and Aaa (50%).

#### Custodial Credit Risk – Deposits and Investments

Deposits in each local area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

As of December 31, 2024, \$69.7 million of the City's deposits and investments were subject to custodial credit risk as they were not insured or collateralized.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of an increase in interest rates. The City's investment policy does not explicitly limit investment maturities. However, the City manages its exposure to interest risk based on the anticipated cash flow needs of the City and limiting the amount of pooled investments with maturities greater than one year.

#### Credit Risk

Credit risk is the risk that the City will not recover its investments due to the inability of the counterparty to fulfill its obligations. Wisconsin Statutes expressly limit the City to invest in certain allowable investments as listed in Note 1. E. The City's investment policy generally does not further limit its investment choices.

CITY OF MILWAUKEE  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Fair Value Measurements**

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

The City has the following recurring fair value measurements valued using a matrix pricing model (Level 1 inputs) as of December 31, 2024:

1. Pooled deposits and investments of:
  - a. U.S. Treasury of \$4.9 million.

The City has the following recurring fair value measurements valued using a matrix pricing model (Level 2 inputs) as of December 31, 2024:

1. Municipal bonds of \$22.3 million.
2. GNMA Bonds of \$10.2 million.
3. Pooled deposits and investments of:
  - a. Corporate Bonds of \$4 million.
  - b. FNMA bonds of \$65 thousand.

**B. Component Units**

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of the Component Unit investments are exposed to losses as a result of increases in interest rates.

**Credit Risk**

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation.

CITY OF MILWAUKEE  
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The Component Units have the following deposits and investments as of December 31, 2024:

	Investment Maturities (in Years) (Thousands of Dollars)			Moody's
	Fair value	Less than 1	1-5	Credit Rating
<b>Component Units:</b>				
Bank Demand Deposits.....	\$ 10,515	\$ 10,515	\$ -	not rated
Local Government Investment Pool.....	263	263	-	not rated
U.S. Treasury Notes.....	1,598	589	1,009	AAA
U.S. Agencies.....	2,123	1,209	914	AAA
U.S. Government Mortgage .....	3	-	3	AAA
Municipal Bonds .....	2,119	795	1,324	AA3
Corporate Bonds .....	273	125	148	AA2
Certificates of Deposit.....	1,108	1,108	-	AA
Money Market.....	1,197	1,197	-	not rated
	<u>\$ 19,199</u>	<u>\$ 15,801</u>	<u>\$ 3,398</u>	

**Custodial Credit Risk**

Deposits in each local area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

As of December 31, 2024 Component Unit bank balances exposed to Custodial Credit Risk are as follows:

	Bank Balance (Thousands of Dollars)	Uninsured and Uncollateralized
Redevelopment Authority.....	\$ 9,744	\$ 7,555
Neighborhood Improvement Development Corporation.....	2,350	1,301

As of December 31, 2024 Component Unit investment balances exposed to Custodial Credit Risk are as follows:

	Investment Balance (Thousands of Dollars)	Uninsured and Uncollateralized
Redevelopment Authority.....	\$ 6,361	\$ 6,361
Neighborhood Improvement Development Corporation.....	725	250

**Fair Value Measurements**

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The City follows the accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

CITY OF MILWAUKEE  
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Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

The Component Units of City has the following recurring fair value measurements using a matrix pricing model as of December 31, 2024:

Valued using Level 1 inputs:

1. U.S. Treasury notes of \$1.6 million

Valued using Level 2 inputs:

1. U.S. Agency bonds of \$2.1 million
2. U.S Government mortgage of \$3 thousand
3. Municipal bonds of \$2.1 million
4. Corporate bonds of \$300 thousand
5. Property Inventory of \$7.0 million

CITY OF MILWAUKEE  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. PROPERTY TAXES**

The City's property taxes are levied on or before December 31, on the assessed (taxable) value as of the prior January 1, for all general property located in the City. Taxes become a lien against the property upon filing the roll in the Office of the City Clerk. This generally takes place in December. The taxes are due January 31, but may be paid in ten monthly installments without interest from January through October. Foreclosure can be commenced after one year from date of delinquency.

The City purchases property taxes receivable from other taxing authorities at the unpaid amounts to facilitate the collection of the taxes. The purchases are a financing arrangement and are not included in property tax revenues. Also, delinquent water and sewer charges and special assessment receivables are transferred to the General Fund at the unpaid amounts.

At December 31, 2024, delinquent property taxes include delinquent sewer and water charges and special assessments by year levied, tax deeded property, and allowance for uncollectible taxes. These delinquent property taxes are reported as part of taxes receivable in the General Fund and Special Revenue Fund - Delinquent Tax and consist of the following:

	City Levy	Purchased Taxes Receivable (Thousands of Dollars)	Total
2019 and prior .....	\$ 7,737	\$ 879	\$ 8,616
2020 .....	1,727	195	1,922
2021 .....	2,510	267	2,777
2022 .....	6,525	763	7,288
2023 .....	<u>18,608</u>	<u>2,359</u>	<u>20,967</u>
Total delinquent property taxes receivable .....	<u>\$ 37,107</u>	<u>\$ 4,463</u>	41,570
Property taxes receivable on foreclosed property .....			40,936
Less: Allowance for uncollectible taxes .....			<u>(33,252)</u>
Net delinquent property taxes receivable, including tax deeded property.....			<u>\$ 49,254</u>



CITY OF MILWAUKEE  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance 01/01/24	Additions	Deletions	Balance 12/31/24
<b>Governmental activities</b>		<i>(Thousands of Dollars)</i>		
<i>Capital assets not being depreciated and amortized:</i>				
Land .....	\$ 166,374	\$ -	\$ 4	\$ 166,370
Construction in progress .....	143,283	37,947	40,618	140,612
Intangible right of ways .....	<u>1,342</u>	<u>-</u>	<u>-</u>	<u>1,342</u>
Total capital assets not being depreciated .....	<u>310,999</u>	<u>37,947</u>	<u>40,622</u>	<u>308,324</u>
<i>Capital assets being depreciated and amortized:</i>				
Buildings .....	404,520	33,896	3,497	434,919
Infrastructure.....	1,925,920	58,175	12,334	1,971,761
Improvements other than buildings .....	11,776	-	7	11,769
Machinery and equipment .....	273,174	27,220	8,811	291,583
Intangible software.....	<u>14,722</u>	<u>-</u>	<u>-</u>	<u>14,722</u>
Total capital assets being depreciated and amortized .....	<u>2,630,112</u>	<u>119,291</u>	<u>24,649</u>	<u>2,724,754</u>
Less accumulated depreciation and amortization for:				
Buildings .....	189,379	12,094	3,497	197,976
Infrastructure .....	1,195,198	36,287	12,334	1,219,151
Improvements other than buildings .....	11,027	193	7	11,213
Machinery and equipment .....	181,005	15,137	7,389	188,753
Intangible software .....	<u>13,417</u>	<u>950</u>	<u>-</u>	<u>14,367</u>
Total accumulated depreciation and amortization .....	<u>1,590,026</u>	<u>64,661</u>	<u>23,227</u>	<u>1,631,460</u>
Total capital assets being depreciated and amortized, net .....	<u>1,040,086</u>	<u>54,630</u>	<u>1,422</u>	<u>1,093,294</u>
Right of use lease assets, net (Footnote 12) .....				3,398
Subscription assets, net (Footnote 12) .....				<u>15,917</u>
<b>Government activity capital assets, net .....</b>	<b><u>\$ 1,351,085</u></b>	<b><u>\$ 92,577</u></b>	<b><u>\$ 42,044</u></b>	<b><u>\$ 1,420,933</u></b>
Depreciation and amortization expense for governmental activities was charged to the following functions:	Depreciation			
General government .....	\$ 1,490			
Public safety .....	9,804			
Public works .....	51,242			
Health .....	436			
Culture and recreation .....	<u>1,689</u>			
Total .....	<u>\$ 64,661</u>			

CITY OF MILWAUKEE  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	Balance 01/01/24	Additions	Deletions	Balance 12/31/24
<b>Business-type activities</b>		<i>(Thousands of Dollars)</i>		
<b>Water Works</b>				
<i>Capital assets not being depreciated:</i>				
Land .....	\$ 1,973		\$ -	\$ 1,973
Construction in progress .....	<u>13,753</u>	<u>51,807</u>	<u>47,688</u>	<u>17,872</u>
Total capital assets not being depreciated .....	<u>15,726</u>	<u>51,807</u>	<u>47,688</u>	<u>19,845</u>
<i>Capital assets being depreciated:</i>				
Buildings .....	35,593	824		36,417
Infrastructure .....	588,567	34,686	697	622,556
Machinery and equipment .....	301,719	10,236	5,188	306,767
Nonutility property .....	<u>3,791</u>	<u>-</u>	<u>-</u>	<u>3,791</u>
Total capital assets being depreciated .....	<u>929,670</u>	<u>45,746</u>	<u>5,885</u>	<u>969,531</u>
Less accumulated depreciation for:				
Buildings .....	24,807	850		25,657
Infrastructure .....	150,177	9,072	736	158,513
Machinery and equipment .....	186,279	10,553	5,045	191,787
Nonutility property .....	<u>1,494</u>	<u>-</u>	<u>-</u>	<u>1,494</u>
Total accumulated depreciation .....	<u>362,757</u>	<u>20,475</u>	<u>5,781</u>	<u>377,451</u>
Total capital assets being depreciated, net .....	<u>566,913</u>	<u>25,271</u>	<u>104</u>	<u>592,080</u>
Water Works capital assets, net .....	<u>582,639</u>	<u>77,078</u>	<u>47,792</u>	<u>611,925</u>
<b>Sewer Maintenance</b>				
<i>Capital assets not being depreciated:</i>				
Construction in progress .....	\$ 39	\$ 509	\$ -	\$ 548
Total capital assets not being depreciated .....	<u>39</u>	<u>509</u>	<u>-</u>	<u>548</u>
<i>Capital assets being depreciated:</i>				
Infrastructure .....	858,752	18,054	439	876,367
Machinery and equipment .....	<u>10,149</u>	<u>1,097</u>	<u>303</u>	<u>10,943</u>
Total capital assets being depreciated .....	<u>868,901</u>	<u>19,151</u>	<u>742</u>	<u>887,310</u>
Less accumulated depreciation for:				
Infrastructure .....	204,768	9,633	439	213,962
Machinery and equipment .....	<u>5,236</u>	<u>624</u>	<u>303</u>	<u>5,557</u>
Total accumulated depreciation .....	<u>210,004</u>	<u>10,257</u>	<u>742</u>	<u>219,519</u>
Total capital assets being depreciated, net .....	<u>658,897</u>	<u>8,894</u>	<u>-</u>	<u>667,791</u>
Sewer Maintenance capital assets, net .....	<u>658,936</u>	<u>9,403</u>	<u>-</u>	<u>668,339</u>

CITY OF MILWAUKEE  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	Balance 01/01/24	Additions (Thousands of Dollars)	Deletions	Balance 12/31/24
<b>Other business-type activities</b>				
<i>Capital assets not being depreciated:</i>				
Land .....	\$ 17,461	\$ -	\$ -	\$ 17,461
Construction in progress .....	<u>21,503</u>	<u>1,716</u>	<u>5,142</u>	<u>18,077</u>
Total capital assets not being depreciated .....	<u>38,964</u>	<u>1,716</u>	<u>5,142</u>	<u>35,538</u>
<i>Capital assets being depreciated:</i>				
Buildings .....	106,078	-	9	106,069
Infrastructure.....	21,682	93	-	21,775
Improvements other than buildings .....	15,550	5,612	-	21,162
Machinery and equipment .....	<u>19,886</u>	<u>210</u>	<u>512</u>	<u>19,584</u>
Total capital assets being depreciated .....	<u>163,196</u>	<u>5,915</u>	<u>521</u>	<u>168,590</u>
Less accumulated depreciation for:				
Buildings .....	63,576	2,238	9	65,805
Infrastructure—port.....	13,234	486	-	13,720
Improvements other than buildings .....	9,169	525	-	9,694
Machinery and equipment .....	<u>13,514</u>	<u>830</u>	<u>424</u>	<u>13,920</u>
Total accumulated depreciation .....	<u>99,493</u>	<u>4,079</u>	<u>433</u>	<u>103,139</u>
Total capital assets being depreciated, net .....	<u>63,703</u>	<u>1,836</u>	<u>88</u>	<u>65,451</u>
Other business-type activities, net .....	<u>102,667</u>	<u>3,552</u>	<u>5,230</u>	<u>100,989</u>
<b>Business-type activity capital assets, net .....</b>	<b><u>\$ 1,344,242</u></b>	<b><u>\$ 90,033</u></b>	<b><u>\$ 53,022</u></b>	<b><u>\$ 1,381,253</u></b>
Depreciation expense for business-type activities was charged to functions as follows:				
Water Works				
Depreciation .....	\$ 21,747			
Depreciation charged to Sanitary Sewer .....	<u>(1,272)</u>			
	20,475			
Sewer Maintenance .....	10,257			
Other business-type activities .....	<u>4,079</u>			
Total .....	<u>\$ 34,811</u>			

CITY OF MILWAUKEE  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	Balance 1/1/2024	Additions (Thousands of Dollars)	Deletions	Balance 12/31/24
<b>Component Units</b>				
<i>Capital assets not being depreciated:</i>				
Land .....	\$ 10,593	\$ -	\$ -	\$ 10,593
Construction in Progress .....	-	1,606	-	1,606
Total capital assets not being depreciated .....	<u>10,593</u>	<u>1,606</u>	<u>-</u>	<u>12,199</u>
<i>Capital assets being depreciated:</i>				
Buildings .....	14,174	-	-	14,174
Infrastructure .....	333	13,038	-	13,371
Improvements other than buildings .....	4,263	-	-	4,263
Machinery and equipment .....	6	-	-	6
Intangibles.....	<u>565</u>	<u>-</u>	<u>-</u>	<u>565</u>
Total capital assets being depreciated .....	<u>19,341</u>	<u>13,038</u>	<u>-</u>	<u>32,379</u>
Less accumulated depreciation for:				
Buildings .....	5,473	358	-	5,831
Infrastructure .....	219	336	-	555
Improvements other than buildings .....	3,322	197	-	3,519
Machinery and equipment .....	6	-	-	6
Intangibles.....	<u>565</u>	<u>-</u>	<u>-</u>	<u>565</u>
Total accumulated depreciation .....	<u>9,585</u>	<u>891</u>	<u>-</u>	<u>10,476</u>
Total capital assets being depreciated, net .....	<u>9,756</u>	<u>12,147</u>	<u>-</u>	<u>21,903</u>
Subscription assets, net (Footnote 12) .....				<u>66</u>
<b>Component units capital assets, net .....</b>	<u><u>\$ 20,349</u></u>	<u><u>\$ 13,753</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 34,168</u></u>

CITY OF MILWAUKEE  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. UNEARNED AND UNAVAILABLE REVENUES**

Governmental funds report unavailable or unearned revenue 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. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	General	General Obligation Debt Service	Economic Development	Grant and Aid Projects	Capital Projects	Nonmajor Governmental Funds	Total
	<i>(Thousands of Dollars)</i>						
Subsequent years property taxes .....	\$ 216,501	\$ 103,984	\$ 49,715	\$ -	\$ 23,952	\$ -	\$ 394,152
Leases receivable.....	6,479	-	-	-	-	-	6,479
Delinquent property taxes .....	7,667	-	-	-	-	7,158	14,825
Unavailable receivables.....	4,152	50,950	6,740	-	-	22,518	84,360
Unbilled special assessments .....	-	-	-	-	2,461	-	2,461
Unavailable grant revenue .....	-	-	-	68,544	5,125	152	73,821
Grants received prior to meeting all eligibility requirements.....	-	-	-	62,117	-	-	62,117
Other unearned revenue .....	<u>4</u>	<u>-</u>	<u>-</u>	<u>1,273</u>	<u>137</u>	<u>1,300</u>	<u>2,714</u>
Total .....	<u>\$ 234,803</u>	<u>\$ 154,934</u>	<u>\$ 56,455</u>	<u>\$ 131,934</u>	<u>\$ 31,675</u>	<u>\$ 31,128</u>	<u>\$ 640,929</u>
						Unearned revenues - deferred inflows	\$ 400,631
						Unavailable revenues - deferred inflows	175,467
						Unearned revenues - liabilities	<u>64,831</u>
							<u>\$ 640,929</u>

**6. SHORT-TERM DEBT**

As of December 31, 2024, the City did not have any outstanding short-term Revenue Anticipation Notes.

CITY OF MILWAUKEE  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. LONG-TERM OBLIGATIONS**

**A. Changes in Long-Term Obligations**

Changes in long-term obligations for the year ended December 31, 2024 were as follows:

	Balance 01/01/24	Additions	Deductions	Balance 12/31/24	Amounts Due within One Year
		(Thousands of Dollars)			
<b>Governmental activities:</b>					
General obligation bonds and notes					
City .....	\$ 1,076,215	\$ 108,776	\$ 106,226	\$ 1,078,765	\$ 106,226
Milwaukee Public Schools .....	51,187	-	1,057	50,130	12,830
Unamortized premiums .....	72,475	13,122	13,176	72,421	-
Direct loans					
City .....	5,000	3,000	5,000	3,000	-
Compensated absences .....	46,685	34,502	31,108	50,079	32,805
Total other postemployment benefits liability .....	1,071,260	62,321	68,937	1,064,644	39,707
Net pension liability (Footnote 15)* .....	1,315,682	496,743	215,669	1,596,756	-
Claims and judgments .....	61,975	20,141	23,375	58,741	1,900
Total governmental activities .....	<u>\$ 3,700,479</u>	<u>\$ 738,605</u>	<u>\$ 464,548</u>	<u>\$ 3,974,536</u>	<u>\$ 193,468</u>
Leases payable (Footnote 12).....				3,398	192
Subscriptions payable (Footnote 12).....				15,917	5,937
Total governmental activities long term liabilities.....				<u>\$ 3,993,851</u>	<u>\$ 199,597</u>
<b>Business-type activities:</b>					
<b>Water Works</b>					
State loans (direct) .....	\$ 90,387	\$ 8,989	\$ 5,181	\$ 94,195	\$ 5,681
Revenue bonds .....	6,875	-	465	6,410	475
Unamortized premiums .....	173	-	23	150	-
Compensated absences .....	2,108	2,332	1,823	2,617	2,617
Total other postemployment benefits liability .....	26,812	2,269	2,921	26,160	1,209
Net pension liability (Footnote 15)* .....	27,881	20,069	4,060	43,890	-
Total Water Works .....	<u>154,236</u>	<u>33,659</u>	<u>14,473</u>	<u>173,422</u>	<u>9,982</u>
<b>Sewer Maintenance</b>					
General obligation bonds and notes .....	\$ 1,499	\$ -	\$ 750	\$ 749	\$ 749
State loans (direct) .....	164,855	233	13,115	151,973	13,407
Revenue bonds .....	143,110	-	5,670	137,440	5,960
Unamortized premiums .....	17,298	-	1,823	15,475	-
Compensated absences .....	828	613	550	891	891
Total other postemployment benefits liability .....	8,574	417	643	8,348	402
Net pension liability (Footnote 15)* .....	3,693	3,097	581	6,209	-
Total Sewer Maintenance .....	<u>339,857</u>	<u>4,360</u>	<u>23,132</u>	<u>321,085</u>	<u>21,409</u>

\* Beginning balances were adjusted to correct an error, see footnote 15

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	Balance 01/01/24	Additions	Deductions	Balance 12/31/24	Amounts Due within One Year
		(Thousands of Dollars)			
<b>Other Proprietary Funds</b>					
General obligation bonds and notes .....	\$ 22,002	\$ 1,226	\$ 2,517	\$ 20,711	\$ 2,514
Claims and judgments .....	21,994	-	-	21,994	-
Revenue bonds .....	4,875	-	580	4,295	585
Compensated absences .....	749	605	567	787	586
Total other postemployment benefits liability .....	8,199	888	1,088	7,999	332
Net pension liability (Footnote 15)* .....	3,341	3,777	609	6,509	-
Total Other Proprietary .....	<u>61,160</u>	<u>6,496</u>	<u>5,361</u>	<u>62,295</u>	<u>4,017</u>
Total business-type activities .....	<u>\$ 555,253</u>	<u>\$ 44,515</u>	<u>\$ 42,966</u>	<u>\$ 556,802</u>	<u>\$ 35,408</u>

\* Beginning balances were adjusted to correct an error, see footnote 15

**Component Units**

Environmental remediation liability	\$ 1,301	\$ 281	\$ -	\$ 1,582	\$ -
Total component units .....	<u>\$ 1,301</u>	<u>\$ 281</u>	<u>\$ -</u>	<u>\$ 1,582</u>	<u>\$ -</u>

**B. General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the City and for Milwaukee Public Schools. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are secured by the full faith and unlimited taxing power of the City. The debt for governmental activities will be retired by future property tax levies and other resources accumulated in the Debt Service Funds. The debt for business-type activities (i.e. Water Works, Sewer Maintenance, Transportation, and Port of Milwaukee Proprietary Funds) will be retired by revenues from those operations or, if the revenues are not sufficient, by future tax levies.

As of December 31, 2024, the City general obligation bonds totaled \$335,540,000 of which \$277,110,000 is for Capital Improvements, \$49,300,000 for schools and \$9,130,000 for business-type activities. The interest rates are between 1.18% and 5.5% with a final maturity date of April 1, 2042.

During the year ended December 31, 2024, general obligation bonds totaling \$11,215,000 were issued of which \$10,934,660 was issued to finance capital improvements and \$280,340 for business-type activities.

Use of Public Debt Amortization Fund for retirement of the public debt is governed by the Wisconsin Statutes. The Statutes provide that when total principal and accrued interest in the Public Debt Amortization Fund is substantially equal to the outstanding general obligation bonds and notes, the resources in the fund shall be applied to make annual interest and principal payments on that debt to maturity. The Statutes provide, in part, that "The Public Debt Commission may, however, at any time, apply the fund, not to exceed in any one year 40% of the balance in said fund on the preceding December 31, to acquire for cancellation general obligation bonds or notes prior to their maturity dates at prices not to exceed principal plus accrued interest to date of maturity, but the fund shall not be decreased below \$2,000,000 as a result of such purchases and cancellations." Principal sources of revenue are one-third of all interest on general City investments and interest on Fund investments. As authorized by the Statutes, the Public Debt Amortization Fund may purchase for investment or for cancellation, notes issued by the General Fund to fund operations.

Under the Wisconsin Statutes, the City is required, if requested by the Board of Milwaukee Public Schools, and if approved by referendum, to issue general obligation bonds, under the School's 2% debt limit, to finance purchases of school sites and to construct or remodel school buildings, and without referendum for certain pension obligations. As of December 31, 2024, there was \$50,130,000 of debt for school purposes issued under the City's 5% debt limit. Under the Wisconsin Statutes, the City has title to the land and buildings of the Milwaukee Public Schools. However, the City does not control the use of the assets or receive the proceeds upon disposition of the assets. These assets are excluded from the financial statements of the City.

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As of December 31, 2024, \$47,019,952 is outstanding for Tax Incremental District purposes. Total remaining debt service requirements associated with the debt is \$64,540,308. In any year in which TID debt service requirements for the ensuing year are greater than total tax increments received, the shortfall is funded by the property tax levy.

**C. Revenue Bonds and State Loans (Direct)**

The City issues revenue bonds and State loans to provide funds for water and sewer improvements. The revenue bonds do not have a General Obligation pledge of the City. The revenue bonds and State loans will be repaid from revenues of the Sewer Maintenance and Water Works Proprietary Funds.

As of December 31, 2024, the City has State loans totaling \$246,168,000 of which \$151,973,000 is for Sewer and \$94,195,000 is for Water. The interest rates are between 1.54% and 2.89% and the final maturity date is May 1, 2044.

As of December 31, 2024, the City has Revenue Bonds totaling \$148,145,000 of which \$137,440,000 is for Sewer, \$6,410,000 is for Water and \$4,295,000 is for the Port of Milwaukee. The interest rates are between 2.50% and 5.00% and the final maturity date is June 1, 2046.

During 2024, the City received loans from the State's Clean Water Fund and Safe Drinking Water Loan Programs totaling \$9,222,000 of which \$233,000 is for Sewer and \$8,989,000 is for Water.

**D. Notes Payable**

The City issues General Obligation notes to provide funds for various public improvement projects, general City financing, and purchases of delinquent taxes.

As of December 31, 2024, the City had notes totaling \$817,815,000 of which \$514,624,074 is for Capital Improvements, \$830,000 for schools, \$12,330,055 for business-type activities, \$85,936,480 for the purchase of delinquent taxes and \$204,094,391 for general City. The interest rates are between 1.75% and 7.50% with a final maturity date of June 30, 2033.

As of December 31, 2024, \$95,469,234 is outstanding for Tax Incremental District purposes. Total remaining debt service requirements associated with the debt is \$108,361,059.

During the year ended December 31, 2024, General Obligation notes totaling \$98,785,000 were issued, of which \$74,020,000 was issued to finance capital improvements, \$560,000 for business-type activities, \$19,205,000 to purchase 2023 delinquent taxes and \$5,000,000 for refunding purposes.

**E. Direct Loans**

As of December 31, 2024, the City had one outstanding revolving loan agreement with The Huntington National Bank and one outstanding revolving loan agreement with U.S. Bank National Association (RLAs). The RLAs are secured by a General Obligation pledge of the City and may be drawn upon at any time for any public purpose. It is the intention of the City to pay off an RLA by its maturity date. However, if not paid by the maturity date, the RLA enters an amortization period with the principal due on the first business day of the 18th month following the maturity date. The RLAs contain termination events which could lead to acceleration of the debt, however there are no specific provisions regarding default on the RLAs.

The interest rates on the RLAs is tied to an index which is reset daily. The maximum available amounts, maturity dates, and indexes are as follows:

Amount	Maturity Date	Index	Bank
\$25,000,000	December 31, 2025	SOFR	The Huntington National Bank
\$25,000,000	December 31, 2025	SOFR	U.S. Bank National Association



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During 2024, \$3 million was drawn on the Loans for the following purposes:

<b>Loan Draws</b>	
<i>(Thousands of Dollars)</i>	
<b>Purpose</b>	<b>Amount</b>
Capital expenditures.....	\$ 3,000
	<u>\$ 3,000</u>

Following is a summary of Loan activity, which is included in the Notes payable and long-term obligation table in footnote 7(a) above:

<b>Loans</b>			
<i>(Thousands of Dollars)</i>			
<b>Balance 01/01/24</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/24</b>
<u>\$ 5,000</u>	<u>3,000</u>	<u>5,000</u>	<u>\$ 3,000</u>

**F. Debt Service Requirements**

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

Year	General Obligation Debt		General Obligation Debt - Direct Loans		Total Debt Service
	Principal	Interest	Principal	Interest	
	(Thousands of Dollars)				
Governmental activities					
2025.....	\$ 119,056	\$ 45,086	\$ -	\$ 140	\$ 164,282
2026.....	105,989	39,489	-	275	145,753
2027.....	141,538	33,633	3,000	252	178,423
2028.....	155,370	27,007	-	-	182,377
2029.....	87,175	21,603	-	-	108,778
2030-2034.....	417,993	51,830	-	-	469,823
2035-2039.....	95,108	9,670	-	-	104,778
2040-2042.....	6,666	265	-	-	6,931
Total .....	<u>\$ 1,128,895</u>	<u>\$ 228,583</u>	<u>\$ 3,000</u>	<u>\$ 667</u>	<u>\$ 1,361,145</u>
Business-type activities	General Obligation Debt		Revenue Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	
Other Proprietary					
2025.....	\$ 2,514	\$ 754	\$ 585	\$ 77	\$ 3,930
2026.....	2,316	653	595	69	3,633
2027.....	2,162	563	600	60	3,385
2028.....	2,005	482	610	51	3,148
2029.....	1,905	408	620	38	2,971
2030-2034.....	7,447	1,097	1,285	39	9,868
2035-2039.....	2,362	136	-	-	2,498
Total .....	<u>\$ 20,711</u>	<u>\$ 4,093</u>	<u>\$ 4,295</u>	<u>\$ 334</u>	<u>\$ 29,433</u>

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Year	General Obligation Debt		Revenue Bonds		State Loans - Direct		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	
(Thousands of Dollars)							
Business-type activities (Cont'd)							
Sewer Maintenance							
2025.....	\$ 749	\$ 19	\$ 5,960	\$ 5,370	\$ 13,407	\$ 2,889	\$ 28,394
2026.....	-	-	8,035	5,029	13,695	2,598	29,357
2027.....	-	-	10,230	4,613	13,990	2,301	31,134
2028.....	-	-	10,730	4,155	13,367	2,008	30,260
2029.....	-	-	11,255	3,675	11,366	1,747	28,043
2030-2034.....	-	-	53,250	11,603	47,248	5,722	117,823
2035-2039.....	-	-	21,345	4,484	31,453	1,895	59,177
2040-2044.....	-	-	11,495	1,746	7,447	204	20,892
2045-2046.....	-	-	5,140	155	-	-	5,295
Total .....	<u>\$ 749</u>	<u>\$ 19</u>	<u>\$ 137,440</u>	<u>\$ 40,830</u>	<u>\$ 151,973</u>	<u>\$ 19,364</u>	<u>\$ 350,375</u>
Water Works							
2025.....	\$ -	\$ -	\$ 475	\$ 246	\$ 5,681	\$ 1,541	\$ 7,943
2026.....	-	-	480	222	5,777	1,444	7,923
2027.....	-	-	490	203	5,876	1,345	7,914
2028.....	-	-	500	187	5,976	1,244	7,907
2029.....	-	-	510	168	6,078	1,141	7,897
2030-2034.....	-	-	2,750	523	31,603	4,100	38,976
2035-2039.....	-	-	1,205	48	25,977	1,579	28,809
2040-2044.....	-	-	-	-	7,227	143	7,370
Total .....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,410</u>	<u>\$ 1,597</u>	<u>\$ 94,195</u>	<u>\$ 12,537</u>	<u>\$ 114,739</u>

**G. Debt Limit**

Wisconsin Statutes limit direct general obligation borrowing in the amount equivalent to 7% of the equalized valuation of taxable property. The Statutes further provide that within the 7% limitation, borrowing for school construction purposes may not exceed 2% of the equalized valuation and borrowing for general city purposes may not exceed 5% of the equalized valuation. At December 31, 2024, the City's legal debt margin was \$2,069,099,000. Of this amount, \$826,177,000 was for school purposes and \$1,242,922,000 was for City purposes.

**H. Refinancing**

During 2024, the City refinanced \$5,000,000 of General Obligation Debt with \$5,000,000 of Promissory Notes, Series 2024 N1. This issue provided long-term financing for interim debt of \$5,000,000.

**I. Conduit Debt**

Occasionally, the City has issued revenue bonds in order to provide financing to private sector entities for the purpose of acquiring, constructing, or rehabilitating housing units and for retiring the existing debt associated with housing units. These obligations are primarily secured by mortgage or revenue agreements on the associated projects and, together with the interest obligation, are payable solely by the developers from leased rentals and other funds or revenues. In addition, these obligations do not constitute indebtedness of the City, as the City has no responsibility for the debt beyond the resources provided by related leases or loans. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The aggregate amount of all revenue bonds outstanding at December 31, 2024 is approximately \$315,000,000 for RACM.

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**8. RETIREMENT PLANS**

The City participates in two pension plans, the Employers Retirement System of the City of Milwaukee (CMERS) and the Wisconsin Retirement System (WRS). Summary information for these two plans are presented below (amounts in thousands):

	Net Pension Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources
CMERS	\$ 1,653,364	\$ 778,136	\$ 84,019
WRS	-	1,885	-
Total	\$ 1,653,364	\$ 780,021	\$ 84,019

**Employees' Retirement System of the City of Milwaukee ("CMERS")**

**Plan Description** – The City makes contributions to the Employees' Retirement System of the City of Milwaukee (the "System" or "CMERS"), a cost-sharing multiple-employer defined benefit pension plan, on behalf of all eligible City employees. The System provides retirement, disability, and death benefits to plan members and beneficiaries. The City Charter assigns the authority to establish and amend benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Employees' Retirement System of the City of Milwaukee, 789 North Water Street, Suite 300, Milwaukee, WI 53202, or may be found by visiting ERS' website [www.cmers.com](http://www.cmers.com), by clicking on "Library" and then "Reports".

On January 1, 2024 the State of Wisconsin enacted Act 12, which requires a soft close of CMERS, with all newly hired employees after January 1, 2024 enrolled in the State of Wisconsin Retirement System ("WRS").

In March of 2018, all Redevelopment Authority of the City of Milwaukee (RACM) employees were transferred to City employment. These RACM employees (8 active and 4 retirees) were included in the actuarial analysis of the City's pension obligation and were incorporated with the City's pension-related activity.

**Funding Policy** – Plan members are required to contribute, or have contributed on their behalf, a percentage of their annual earnable compensation equal to 5.5%, for general City employees enrolled prior to January 1, 2014, 4% for general City employees enrolled on or after January 1, 2014, 7%, police officers, firefighters, 7% for elected officials enrolled prior to January 1, 2014, and 4% for elected officials enrolled on or after January 1, 2014. The City Charter assigns the authority to establish and amend contribution requirements. The City Charter was amended so that various groups of represented and non-represented City employees hired on or after January 1, 2010 contribute a percentage of their earnable compensation for pension benefits as described above. A general City employee who enrolls as a member in the Employees' Retirement System on or after January 1, 2014 has the following: a minimum service retirement age of 65 and a service retirement allowance equal to 1.6% of the members final average salary times the total number of years of all creditable service; eligibility for a service retirement allowance when attaining the age of 60 years and the completion of 30 years of creditable service. Additionally, they are eligible for a pension escalator of 2% annually after the fifth anniversary of their service retirement, with spouse survivors of service retirees also eligible for the escalator. All new city employees enrolled on or after January 1, 2014, are required to contribute 4% of their earnable compensation to the retirement system. Total contributions to the System for the plan year 2024 was \$190,015,000, equal to the required contributions on behalf of the plan members for the year. Total contributions for the years ended December 31, 2024 and 2023 were \$190,015,000 and \$130,274,000 respectively. In 2013 the funding policy changed and the City went to a "stable contribution" policy. The actuarial contribution shall be based on separate calculated rates for police officers, firefighters and general City employees and shall be applicable for a 5-year period. The actuary shall, consistent with actuarial standards of practice, set the actuarial contribution rate at a percentage of covered compensation sufficient to fund the entire amount of the employers' share of the normal cost, and to amortize any unfunded past service liability.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Long-term Expected Return on Plan Assets** –The long-term expected rate of return on pension plan investments was determined using Callan Associates' 10-year geometric capital market projections. Projected long-term rates of return for each major asset class in the Retirement System's target asset allocation as of December 31, 2024, are summarized in the following table:

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**Asset Allocation Policy and Expected Return**

<u>Asset Class</u>	<u>Policy</u>	<u>Long-term Expected Rate of Return</u>
Public Equity.....	44.0%	7.3%
Fixed Income & Cash.....	23.0%	3.1%
Real Estate.....	9.7%	5.1%
Real Assets.....	3.3%	4.6%
Private Equity.....	10.0%	10.0%
Absolute Return.....	10.0%	3.6%
	100.0%	

**Rate of Return** – For the year ended December 31, 2023, the annual money-weighted rate of return, net of investment expense was 9.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Actuarial Assumptions** – The last actuarial valuation was performed as of January 1, 2023, and the amounts were used to roll-forward the total pension liability to the plan's year-end December 31, 2023, and was determined using the following actuarial assumptions, applied to all prior periods included in the measurement:

<b>Actuarial Assumptions</b>	
Actuarial Valuation Date	January 1, 2023
Measurement Date of Net Pension Liability	December 31, 2023
Actuarial Cost Method:	Entry Age Normal - Level Percentage Pay
Amortization Method	Level percent of payroll, closed
Asset Valuation Method	5-year smoothing of difference between expected return on actuarial value and actual return on market value
Actuarial Assumptions:	
Investment Rate of Return:	6.8% per annum, compounded annually
Discount Rate:	6.80%
Projected Salary Increases	General City 3.0% - 7.5% Police & Fire 3.0% - 19.0%
Inflation Assumption:	2.50%
Cost of Living Adjustments	Vary by Employee Group as explained in summary of plan provisions.
Mortality Table	Pre-retirement mortality rates were based on the Pub-2010 Below Median Employee Morality Tables with gender specific age setbacks, projected generationally using SOA Scale MP-2021. Disabled mortality rates were based on the Pub-2010 Disabled Retiree Mortality Tables with gender specific setbacks and set forwards, projected generationally using SOA Scale MP-2021.
Experience Study	The actuarial assumptions used in this valuation, are based on the results of the most recent experience study covering the five-year period ending December 31, 2021, except for the investment return assumption.

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**Net Pension Liability** – The components of the City's pension liability as of December 31, 2024, were as follows:

	<b>Total</b>
	(Thousands of Dollars)
Total pension liability	\$ 6,546,208
Plan fiduciary net position	(4,892,844)
Net pension liability	<u>\$ 1,653,364</u>
Plan fiduciary net position as a percentage of total pension liability	74.74%
Covered employee payroll	\$ 481,464
Net pension liability as a percentage of covered employee payroll	343.40%

**Discount Rate** - The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that contribution from plan members will be made at the current contribution rate and that contributions from ERS agencies will be made at contractually required rates, actuarially determined. Based on those assumptions, the ERS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The cross over analysis produces a single rate of 6.80%, which reflects the long-term expected rate of return on ERS investments. Therefore, the discount rate was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the net pension liability to changes in the discount rate** – The following presents the City's net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	<b>1% Decrease to Discount Rate</b>	<b>Current Discount Rate</b>	<b>1% Increase to Discount Rate</b>
	5.80%	6.80%	7.80%
	(Thousands of Dollars)		
City's net pension liability (asset).....	\$ 2,422,407	\$ 1,653,364	\$ 1,016,317

**Schedule of Employer Allocations** – The Employer Allocation Percentage is based on the employers required contribution compared to the required contribution for all employers. The Employer Allocation Percentage is rounded to seven decimal places. The City's 2023 actuarial employer contribution was \$74.247 million and the employer allocation percentage was 80.3399% as compared to the prior year actuarial employer contribution of \$75.396 million and an employer allocation percentage of 84.304%.

**Schedule of Pension Amounts** – The employer's proportionate share of the Collective Net Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources, and Total Employer Pension Expense (Income) is based on the Employer Allocation Percentage. The City's proportionate share of Collective net pension liability, deferred outflows/inflows and pension expense was 80.3399%. The Deferred Inflows and Outflows of Resources due to liabilities are amortized over the Average Expected Service Lives of all Employees of 3.45 years. The Collective Deferred Inflows and Outflows of Resources due to the net difference between projected and actual earnings on pension plan investments are amortized over 5.0 years.

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The City's total Deferred Inflows and Outflows of Resources, to be recognized in the Future Pension Expense, are as follows:

**Total Future Deferred Inflows/Outflows**

	<b>Outflows of Resources</b>	<b>Inflows of Resources</b>
	<i>(Thousands of Dollars)</i>	
Differences between expected and actual experience.....	\$ 12,516	\$ (1,875)
Changes in assumptions.....	333,970	-
Contributions made after the measurement date.....	190,015	-
Net differences between projected and actual earnings		
on pension plan investments.....	196,035	-
Changes in proportion and differences between employer contributions and proportionate share of contributions.....	45,600	(82,144)
Total.....	<u>\$ 778,136</u>	<u>\$ (84,019)</u>

Deferred Outflows of \$190,015 resulting from the City's pension contribution subsequent to the measurement date will be recognized as a reduction of the total Pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**Annual Future Deferred Inflows/Outflows**

<b>Year Ended December 31:</b>	<b>Net Deferred Outflows of Resources</b>
	<i>(Thousands of Dollars)</i>
2025	\$ 173,829
2026	169,729
2027	182,004
2028	(21,460)
Total	<u>\$ 504,102</u>

The City's pension expense was determined as follows:

**Calculation of Pension Expense**  
*(Thousands of Dollars)*

	<b>Total</b>
Service Cost.....	\$ 67,998
Interest cost on total pension liability.....	415,798
Projected earnings on plan investments.....	(319,956)
Contributions - Member.....	(26,262)
Administrative Expense.....	6,439
Plan Changes.....	-
Recognition of net deferred outflows (inflows)	
Changes in assumptions.....	137,426
Differences between expected and actual liability experience.....	5,143
Difference between projected and actual earnings.....	(23,018)
Other changes in fiduciary net position.....	-
Prior years' deferred outflows.....	190,501
Prior years' deferred inflows.....	(199,882)
Other changes in fiduciary net position.....	(17,961)
Total Pension Expense.....	<u>\$ 236,226</u>

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**Wisconsin Retirement System (“WRS”) – (amounts in thousands of dollars)**

**Funding Policy** - All new city employees enrolled on or after January 1, 2024, are required to contribute 6.8% of their earnable compensation to the retirement system. Total contributions to the System for the plan year 2024 was \$1,885, equal to the required contributions on behalf of the plan members for the year. Since The City joined the WRS effective January 1, 2024 the only item reported for the WRS plan will be deferred outflows for 2024; the City has elected to disclose full details of the plan as it will be our primary pension plan going forward.

**Plan Description**

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

**Vesting**

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

**Benefits Provided**

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

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**Postretirement Adjustments**

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<b>Year</b>	<b>Core Fund Adjustment %</b>	<b>Variable Fund Adjustment %</b>
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

**Contributions**

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,885 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2024 are:

<b>Employee Category</b>	<b>Employee</b>	<b>Employer</b>
General (Executives & Elected Officials)	6.80 %	6.80 %
Protective with Social Security	6.80	13.20
Protective without Social Security	6.80	18.10



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**Pension Liability, Pension Expense (Revenue), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2024, the City reported a liability of \$0 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the City's proportion was 0%.

For the year ended December 31, 2024, the City recognized pension expense (revenue) of \$0.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources (thousands of dollars)</b>	<b>Deferred Inflows of Resources</b>
Employer contributions subsequent to the measurement date	\$ 1,885	\$ -
Total	<u>\$ 1,885</u>	<u>\$ -</u>

\$1,885 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025.

**Actuarial Assumptions**

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

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\* *No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

**Long-Term Expected Return on Plan Assets**

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 pension 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 expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Allocation Targets and Expected Returns* as of December 31, 2023</b>			
<b>Core Fund Asset Class</b>	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %**</b>
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage***	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
<b>Variable Fund Asset</b>			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

\* *Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations*

\*\* *New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.7%*

\*\*\* *The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used subject to an allowable range of up to 20%.*

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### **Single Discount Rate**

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

At December 31, 2024, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

### **Other Postemployment Benefits**

The City provides other post-employment benefits (OPEB) to its retirees for health and life insurance. During 2018, the City implemented GASB 75 which requires recognizing a liability equal to total unfunded OPEB liability (total OPEB liability or TOL). The January 1, 2018 OPEB liability was restated, with a corresponding adjustment to beginning net position, to record the actuarially determined TOL, as required by GASB 75.

In March of 2018, all Redevelopment Authority of the City of Milwaukee (RACM) employees were transferred to City employment. These RACM employees (8 active and 4 retirees) were included in the actuarial analysis of the City's OPEB obligation and are combined with the City's OPEB balances.

### **Plan Description**

The City provides a single-employer defined benefit healthcare plan and life insurance administered by both the City and Milwaukee's Employees' Retirement System (ERS). The City provides medical and COBRA dental insurance benefits for substantially all retirees in accordance with terms set forth in labor contracts or by Common Council resolution. Retirees are eligible to enroll in any of the group plans offered by the City.

Retiree eligibility for full health insurance coverage varies by employee group, but can be summarized as follows:

**General Employees:** Employees hired prior to January 1, 2017, in general, are eligible when they retire through the ERS with a minimum of 15 years of creditable service with the City. Furthermore, if they retire on a service retirement they are eligible for an 88% subsidy until they attain age 65. Certain other groups of General employees are eligible, but pay a variety of rates depending upon their group affiliation at the time of retirement, service credit, age, and type of retirement – the subsidy for these may range from 100% to 25% until age 65. Almost all retirees get a 25% subsidy once they attain Medicare age (65 years). Service retirement for General employees enrolled prior to January 1, 2014 is age 60 or age 55 with 30 years of creditable service; for those enrolled on/after January 1, 2014 is age 65 or age 60 with 30 years of creditable service.

**Fire and Police:** In general, protective service sworn employees are eligible when they retire on a service retirement through the ERS with a minimum of 15 years of creditable service. The amount they pay is part of their collective bargaining agreement with the subsidy ranging from 100% to 65% until age 65, and varies with the type of employee group they belonged to and their sick leave balance at the time of retirement. Almost all retirees get a 25% subsidy once they attain Medicare age (65 years). Service retirement for Fire enrolled prior to July 30, 2016 is age 57 or age 49 with 22 years of service; for those enrolled on or after July

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30, 2016 is age 57 or age 52 with 25 years of creditable Fire service. Service retirement for Police enrolled prior to December 20, 2015 is age 57 or 25 years of creditable service; for those enrolled on/after December 20, 2015 is age 57 or age 50 with 25 years of creditable Police service.

Disability: Slightly different eligibility criteria apply for employees who retire on an ordinary or duty disability and their subsidy is different from regular service retirees.

In addition to medical insurance, before 2014 the City allowed its employees to continue life insurance coverage under the Group Life Insurance Plan offered to active employees in accordance with Section 350-25 of the Code of Ordinances. The base amount of coverage for general City employees covered under the City's Life Insurance plan until December 31, 2013 was equal to the employee's annual basic salary to the next higher thousand dollars. The base amount of coverage for firefighters and police officers is equal to one and one-half the employee's annual basic salary to the next higher thousand dollars.

General City employees retiring after 2013 must have purchased before retirement at least 50% of their annual base salary in voluntary life insurance coverage to be able to continue their enrollment in the City's General Life Insurance program. Premiums are paid at age-banded rates that are in effect at that time. Employees maintaining a minimum of 50% of their annual base salary at the time of retirement in voluntary coverage until age 65, upon attaining age 65, have \$10,000 of coverage paid for by the City.

In general, General City employees retiring on a service retirement prior to 2014 were eligible to continue coverage at the level on the date prior to their date of retirement. Firefighters and Police retiring on a service retirement are eligible to continue coverage up to their base amount of coverage on the date prior to their date of retirement. Prior to age 65, all retirees are required to pay the full premium rates as established by the insurance carrier, less an adjustment for estimated dividends.

Furthermore, as part of recent collective bargaining agreements, Fire and Police employees (except MPSO) now follow the same life insurance plan design as General employees – they must have purchased before retirement at least 50% of their annual base salary in voluntary life insurance coverage to be able to continue their enrollment in the City's General Life Insurance program. Premiums are paid at age-banded rates that are in effect at that time. Employees maintaining a minimum of 50% of their annual base salary at the time of retirement in voluntary coverage until age 65, upon attaining age 65, have \$10,000 of coverage paid for by the City.

The rates established are group rates applied consistently to all employees, without regard to age or health. Upon reaching the age of 65, those retirees still part of the group life plan have their coverage reduced in accordance with the reduction schedule in effect on their last day physically at work. For certain groups of retirees, the City may assume all future premiums or only the cost of the \$10,000 of coverage, depending upon the retirement date and reduction schedule in effect on their last day at work.

#### **Funding Policy**

The contribution of plan members and the City are established and may be amended by the City. The required contribution for medical and life insurance for retirees is based on a pay-as-you-go financing. Medical benefits provided through the basic health care plan are self-insured. For 2024, the City paid \$35,642,939 and \$3,534,222, respectively, toward medical and life insurance for retirees. The Plan has no accumulated assets.

#### **Actuarial Assumptions**

The last actuarial valuation was performed as of January 1, 2023, projected to measurement date of December 31, 2024, using the applicable discount rate required under GASB Statement No. 75 and determined using the following actuarial assumptions.

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<b>Methods and Assumptions Used to Determine OPEB Actuarial Liability and Contributions</b>	
Actuarial Valuation Date	January 1, 2023
Measurement Date of Net OPEB Liability	December 31, 2024
Plan Fiscal Year End	December 31, 2024
Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Pay-as-you-go costs
Asset Valuation Method:	No Assets (pay-as-you-go)
Actuarial Assumptions:	
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Discount Rate	3.77% as of December 31, 2023; 4.08% as of December 31, 2024.
Projected Salary Increases	For general employees, salary increase rates start at 6.25% at age 20 and decrease steadily to 3.0% at service age 35. For public safety employees, salary increases start at 18.0% at age 20 and decrease steadily to 3.0% at service age 40.
Wage Inflation	3.0% for general employees and 3.0% for public safety employees.
Healthcare Cost Trend Rates	Pre-Medicare trend rates are 5.0% for 2024, 7.00% for 2025, and grade down in 0.25% increments to an ultimate trend rate of 4.25% in 2036. Post-Medicare trend rates are -2.60% for 2024, 8.00% for 2025, and grade down in 0.25% increments to an ultimate trend rate of 4.25% in 2040.
Mortality Table	For regular retirees and for survivors, the PUB-2010 Below Median Income Healthy Annuitant Mortality Table (using 1 year setbacks for males and 2 year set forwards (base year 2010) projected generationally with Scale MP-2021. For duty and ordinary disability retirees, the PUB-2010 Non-Safety Disabled Retiree Mortality Table (using 1 year setback for males and 2 year set forward for females) (base year 2010) projected generationally with Scale MP-2021. For death in active service, the PUB-2010 Below Median Income General Employee Mortality Table (using 1 year setback for males and 2 year set forward for females) (base year 2010) projected generationally with Scale MP-2021. For Policemen and Firemen: Regular retirees, PUB-2010 Median Income Public Safety Annuitant Mortality Table (using 1 year set forward for males and females) (base year 2010) projected generationally with Scale MP-2021. Duty and ordinary disability retirees: PUB-2010 Safety Disabled Retiree Mortality Table (using 1 year set forward for males and females) (base year 2010) projected generationally with Scale MP-2021. Death in active service: PUB-2010 Median Income Safety Employee
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are reflected separately.

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**Total OPEB Liability**

The changes and components of the December 31, 2024 OPEB liability, along with the total OPEB liability by year are shown in the schedules below:

<b>Schedule of Changes in Total OPEB Liability</b> (Thousands of Dollars)		<b>Total</b>
Total OPEB liability		
Service cost.....	\$	37,298
Interest.....		41,976
Differences between expected and actual experience.....		(987)
Changes of assumptions.....		(46,804)
Benefit payments.....		(39,177)
Net change in total OPEB liability.....		(7,694)
Total OPEB liability - January 1, 2024.....		1,114,845
Total OPEB liability - December 31, 2024.....	\$	1,107,151
Plan fiduciary net position		
Contributions - employer.....		39,177
Benefit payments.....		(39,177)
Total OPEB liability - ending.....	\$	1,107,151
Plan fiduciary net position as a percentage of total OPEB liability.....		0.00%
Covered employee payroll.....	\$	322,220
Total OPEB liability as a percentage of covered payroll.....		343.60%
Inactive plan members or beneficiaries currently receiving benefits.....		2,819
Active plan members.....		4,180
		6,999
Discount rate - December 31, 2023.....	3.77%	
Discount rate - December 31, 2024.....	4.08%	

**Discount Rate** – Since the City operates a pay-as-you-go plan, the OPEB liability is calculated using discount rates based on Fidelity's "20-Year Municipal GO AA Index" as of each measurement date. The discount rates used in the actuarial study were as follows:

**Sensitivity of Total OPEB Liability** – The following tables present the City's total OPEB liability using discount rates and healthcare cost trend rate assumptions that are 1% higher and 1% lower than the current rates.

**Sensitivity of Total OPEB to the Single Discount Rate Assumption**

	<b>1% Decrease to Discount Rate</b>	<b>Current Discount Rate</b>	<b>1% Increase to Discount Rate</b>
	3.08%	4.08%	5.08%
	(Thousands of Dollars)		
City's Total OPEB liability.....	\$ 1,269,775	\$ 1,107,151	\$ 974,732

**Sensitivity of Total OPEB to the Healthcare Cost Trend Rate Assumption**

	<b>1% Decrease</b>	<b>Current Healthcare Cost Assumption</b>	<b>1% Increase</b>
	(Thousands of Dollars)		
City's Total OPEB liability.....	\$ 961,520	\$ 1,107,151	\$ 1,290,239

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**OPEB Expense** - The City's annual OPEB expense is based on the change in the total OPEB liability as actuarially determined in accordance with the parameters of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Annual OPEB expense consists of service cost, interest on the total OPEB liability, the monetary effect of plan changes and the current year portion of any deferred outflows (inflows). The following table shows the components of the City's annual OPEB expense for the year:

<b>Annual OPEB Expense</b> (Thousands of Dollars)	<b>Total</b>
Service Cost.....	\$ 37,299
Interest cost on total pension liability.....	41,976
Recognition of outflow/(inflow) due to non-investment experience.....	(44,766)
Recognition of outflow/(inflow) due to assumption changes.....	(33,713)
Total OPEB Expense.....	<u>\$ 796</u>

A reconciliation of the City's total OPEB liability including expense, contributions and deferred outflows/ (inflows) is shown below:

<b>Reconciliation of Total OPEB Liability</b> (Thousands of Dollars)	<b>Total</b>
Total OPEB liability beginning of year.....	\$ 1,114,845
OPEB expense.....	796
Employer contributions.....	(39,177)
Change in outflow/(inflow) due to non-investment experience.....	43,778
Change in outflow/(inflow) due to assumption changes.....	(13,091)
Total OPEB liability end of year.....	<u>\$ 1,107,151</u>

**Deferred Inflows and Outflows of Resources** – For the plan year-end December 31, 2024, the actuarial discount rate increased to 4.08 percent from 3.77 percent. Deferred inflows decreased \$103.0 million and deferred outflows decreased \$72.3 million as a result of the updated actuarial analysis of the plan. Deferred inflows and outflows are amortized into annual OPEB expense using an amortization factor unique to each major employment group outlined in the report. Deferred inflows and outflows recognized in the current or future OPEB expense periods are shown in the following schedules:

**Outflows and (Inflows) of Resources Recognized in Current OPEB Expenses**  
(Thousands of Dollars)

	(Inflows) Recognized in <u>Current Expense</u>	Outflows Recognized in <u>Current Expense</u>
Differences between expected and actual non-investment experience.....	\$ (47,028)	\$ 2,262
Changes in assumptions.....	(103,742)	70,029
Total.....	<u>\$ (150,770)</u>	<u>\$ 72,291</u>

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

**Outflows and (Inflows) of Resources**  
(Thousands of Dollars)

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual non-investment experience.....	\$ 7,265	\$ (168,723)
Changes in assumptions.....	114,887	(336,041)
Total.....	<u>\$ 122,152</u>	<u>\$ (504,764)</u>

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**Net Deferred Outflows and Deferred (Inflows) of  
 Resources Recognized in Future OPEB Expenses**

(Thousands of Dollars)

Fiscal Year-end		
December 31, 2025	\$	(96,217)
December 31, 2026		(104,108)
December 31, 2027		(99,677)
December 31, 2028		(60,939)
December 31, 2029		(15,328)
December 31, 2030		(5,830)
December 31, 2031		(513)
<b>Total</b>	<b>\$</b>	<b>(382,612)</b>

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend amounts. The annual OPEB expense and total OPEB liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Terminal Leave Payments**

Upon retirement, employees receive a portion of their unused sick leave as terminal leave, in accordance with the Milwaukee Police Association, Milwaukee Police Supervisors' Organization, and the Milwaukee Professional Firefighters Association labor contracts or Section 350-38 of the Code of Ordinances. Firefighters whose normal hours of work exceed 40 hours per week receive one 24-hour work day's base salary for each 10 work days of accumulated, unused sick leave rounded down to the nearest multiple of 10. Firefighters whose normal hours of work average 40 hours per week are converted to 24-hour workdays where the above calculation then applies. Firefighters who have fewer than twenty, 24-hour workdays of accumulated, unused sick days are not eligible for a terminal leave benefit. Police officers receive payment for up to 55 days of unused sick leave at base pay for their terminal leave benefit. All remaining City employees receive up to 30 days of unused sick leave at base pay as their terminal leave benefit. In 2024, approximately \$12,741,650 was paid for sick leave from all funds. At December 31, 2024, accumulated sick leave earned but not taken totaled approximately \$153,688,383 determined on the basis of current salary rates.

Terminal leave pay is funded on a pay-as-you-go basis and provided for in the salary budgets of the respective departments annually. In 2024, terminal leave payments totaled \$1,752,450 to employees retiring during the year. As of December 31, 2024, the City has accrued \$27,533,526 in the government-wide statements for future terminal leave payments. This amount is included under the unfunded compensated absences of \$50,079,557 with the remainder accrued vacation leave of \$20,716,486 and estimated FICA taxes of \$1,829,545.



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**9. FUND BALANCE**

The constraints placed on fund balance for the governmental funds at December 31, 2024 were as follows:

	General	General Obligation Debt Service	Public Debt Amortization	Economic Development	Grant and Aid Projects	Capital Projects	Nonmajor Governmental Funds	Total
	(Thousands of Dollars)							
<b>Nonspendable</b>								
Advances.....	\$ 43,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,178
Inventory.....	14,535	-	-	-	-	-	-	14,535
Inventory of property for resale..	26	-	-	-	-	-	-	26
Prepaid items.....	10,538	-	-	-	3	261	13	10,815
<b>Spendable</b>								
Restricted for:								
Future debt payments.....	-	49,631	58,829	-	-	-	-	108,460
Grants.....	-	-	-	-	3,616	-	4,007	7,623
Opioid abatement.....	-	-	-	-	-	-	10,875	10,875
Tax increment financing.....	-	-	-	164,252	-	-	-	164,252
Committed to:								
Contributions.....	3,952	-	-	-	-	-	-	3,952
Capital projects.....	-	-	-	-	-	65,456	-	65,456
Future debt payments.....	119,000	-	-	-	-	-	-	119,000
Assigned to:								
Conservation and development...	364	-	-	-	-	-	-	364
General government.....	18,488	-	-	-	-	-	-	18,488
Health.....	2,370	-	-	-	-	-	-	2,370
Culture and recreation.....	748	-	-	-	-	-	-	748
Public safety.....	26,255	-	-	-	-	-	-	26,255
Public works.....	3,076	-	-	-	-	-	-	3,076
2025 budgetary financing.....	32,300	-	-	-	-	-	-	32,300
Unassigned (deficit)	66,630	-	-	-	(68,584)	(6,695)	(8,122)	(16,771)
 Total Fund Balance (deficit).....	<u>\$341,460</u>	<u>\$ 49,631</u>	<u>\$ 58,829</u>	<u>\$ 164,252</u>	<u>\$ (64,965)</u>	<u>\$ 59,022</u>	<u>\$ 6,773</u>	<u>\$ 615,002</u>

**Sinking Fund Deposits**

The fund balance restricted for future debt payments within the general obligation debt service fund includes \$38,025,000 in sinking funds on deposit with a trustee for payment of Qualified School Construction Bonds (QSCBs) issued on behalf of Milwaukee Public Schools. The QSCBs were issued in 2009 and 2010 and have maturity payments in 2025 and 2027.

**Tax Stabilization and Advances to Other Funds**

A tax stabilization arrangement is incorporated into the City's adopted *Reserve for Tax Stabilization Fund Balance Policy* and is governed by the City's Code of Ordinances. At December 31, 2024, the tax stabilization reserve was \$142,108,000. Of this amount, \$32,300,000 has been assigned to the funding of the 2025 General Fund budget and \$66,630,000 is unassigned for 2026 and subsequent years' budgets. This Reserve includes an amount for advances of \$43,178,000 from the General Fund to the Capital Projects and Transportation Funds. All General Fund appropriation balances not encumbered or carried over are reserved for tax stabilization in subsequent years. The total amount that can be withdrawn from the reserved for tax stabilization in any one year is an amount that prevents an increase of more than 3% in the City's property tax rate, as defined, and is anticipated to be available as of April 15 of the year covered by the budget. Such amount must be included in the adopted budget, which requires a majority affirmative vote of the Common Council. Fund withdrawals not needed to stabilize the tax rate can be made for up to 50% of the available balance, but require a three-fourths affirmative vote of the Common Council prior to budget adoption.

CITY OF MILWAUKEE  
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**Deficit Balances**

As of December 31, 2024, the following individual funds had a deficit balance:

Fund	Amount (Thousands of Dollars)	Reason
Grant and Aid Projects.....	\$ (64,965)	Unavailable revenue from various grants
Delinquent Tax.....	(7,957)	Loss on sale of tax deed properties

The Grant and Aid Projects fund and the Delinquent Tax fund deficits are anticipated to be funded with future grant revenues, general tax revenues, fee increases or long-term borrowing.

**10. INTERFUND RECEIVABLE AND PAYABLE BALANCES/ADVANCES AND NET TRANSFERS**

The individual interfund receivable and payable balances at December 31, 2024 were as follows:

		Due From			
Due To		General Fund	Sewer Maintenance Fund	Nonmajor Proprietary Funds	Total
			(Thousands of Dollars)		
	General Obligation Debt Service .....	\$ 563	\$ -	\$ -	\$ 563
	Grant and Aid Projects .....	44,777	-	-	44,777
	Nonmajor Governmental Funds.....	28,570	-	-	28,570
	Water Works .....	5,571	756	596	6,923
	Sewer Maintenance .....	17,292	-	-	17,292
	Nonmajor Proprietary Funds .....	<u>8,813</u>	<u>-</u>	<u>-</u>	<u>8,813</u>
	Totals .....	<u>\$ 105,586</u>	<u>\$ 756</u>	<u>\$ 596</u>	<u>\$ 106,938</u>

Balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, and (4) funds overdraw their share of pooled cash or when there are transactions between funds where one fund does not participate in the City's pooled cash.

The City of Milwaukee General Fund advances funds to the Special Assessments, Capital Projects and Transportation funds to finance cash flows. These advances are non-interest bearing and are repaid as collections from the receivables are obtained. At December 31, 2024 the outstanding balance was \$43,178,000.

The City of Milwaukee General Fund advanced \$32,135,000 to the Transportation Fund, \$800,000 to the Delinquent Tax Fund and \$10,243,000 to Capital Funds to finance cash flows in 2024. These advances are non-interest bearing and will be repaid from the issuance of debt and service revenues.

CITY OF MILWAUKEE  
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Interfund transfers for the year ended December 31, 2024 were as follows *(in thousands)*:

<b>Funds Transferred To</b>	<b>Fund Transferred From</b>	<b>Amount</b>	<b>Purpose</b>
<b>General Fund</b>	Nonmajor Governmental Funds.....	\$ 8,161	Subsidize uncollected property taxes
	Grant and Aid Projects.....	1	Grant variance closeouts
	Water Works.....	14,312	Payment in Lieu of taxes
	Nonmajor Proprietary Funds.....	1,503	Payment in Lieu of taxes
	Nonmajor Proprietary Funds.....	1,712	Subsidy for operations
	<b>Subtotal General Fund.....</b>	<b>25,689</b>	
<b>General Obligation Debt Service</b>	General.....	2,109	Funding for debt payments
	Economic Development.....	21,141	Funding for debt payments
	Public Debt Amortization.....	6,000	Funding for debt payments
	Nonmajor Governmental Funds.....	17,075	Funding for debt payments
	Nonmajor Proprietary Funds.....	1,063	Funding for debt payments
	<b>Subtotal Debt Service.....</b>	<b>47,388</b>	
<b>Economic Development</b>	Capital Funds.....	2,819	Close surplus revenues
	<b>Subtotal Economic Development.....</b>	<b>2,819</b>	
<b>Capital Projects</b>	Economic Development.....	17,559	Tax increment financing
	<b>Subtotal Capital Projects.....</b>	<b>17,559</b>	
<b>Nonmajor Governmental</b>	General.....	3,585	Subsidy for operations
	<b>Subtotal Nonmajor Governmental.....</b>	<b>3,585</b>	
<b>Nonmajor Proprietary</b>	General Obligation Debt Service.....	845	Funding for debt payments
	<b>Subtotal Nonmajor Proprietary.....</b>	<b>845</b>	

Transfers are used to (1) move revenues from the fund that statute or budget requires collection from to the fund that statute or budget required to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF MILWAUKEE  
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 FOR THE YEAR ENDED DECEMBER 31, 2024

**11. BALANCES BETWEEN THE CITY AND COMPONENT UNITS**

Balances due to and due from component units as of December 31, 2024 were as follows:

<b>Component Unit Payable</b>	<b>Primary Government's Receivable</b> <i>(Thousands of Dollars)</i>
Due from RACM and NIDC for reimbursable expenditures .....	\$ 747
Due from RACM for loans issued to developers for the purpose of renovations and improvements to existing parcels of real estate .....	6,741
Due from NIDC for strong home loan repayments.....	107
Due from NIDC for housing projects.....	25
Due from NIDC for home and Community Development Block grants .....	<u>132</u>
Total .....	<u>\$ 7,752</u>
<b>Component Unit Receivable</b>	<b>Primary Government's Payable</b> <i>(Thousands of Dollars)</i>
Due to RACM for reimbursable expenditures .....	<u>\$ 29</u>
Total .....	<u>\$ 29</u>

CITY OF MILWAUKEE  
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**12. LEASES AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

**LEASES**

The City implemented GASB Statement No. 87, Leases effective January 1, 2022. This Statement requires the recognition of certain lease assets and liabilities for leases previously classified as operating leases. In accordance with GASB No. 87, the City does not recognize a lease considered short term in duration. Short term leases are any lease that has a maximum remaining term (as of December 31, 2024) of 12 months or less. The City also excluded any lease for which the underlying contract was below our capitalization threshold.

**Lessee:**

The City is a lessee for several leases of equipment and buildings. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. At the commencement of the lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease-related amortization expense of approximately \$529 thousand and \$143 thousand of interest expense was recorded in fiscal year 2024. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) the lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases. Interest rates ranged between 2.5% and 4.7%. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease assets and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The aggregate amortization schedule for the non-cancellable lease liability as of December 31, 2024 is as follows:

Year	Amount (Thousands of Dollars)		
	Principal	Interest	Total
2025.....	\$ 192	\$ 130	\$ 322
2026.....	163	124	287
2027.....	145	119	264
2028.....	153	113	266
2029.....	162	108	270
2030-2034.....	854	448	1,302
2035-2039.....	1,121	264	1,385
2040-2044.....	390	114	504
2045 and beyond.....	218	35	253
Total.....	<u>\$ 3,398</u>	<u>\$ 1,455</u>	<u>\$ 4,853</u>

Changes in long term lease obligations for the year ended December 31, 2024 were as follows (thousands of dollars):

Governmental Activities	Beginning Balance	Additions	Remeasurements	Deductions	Ending Balance	Amounts Due Within One year
Lease liabilities						
Buildings, leased	\$ 1,900	\$ -	\$ -	\$ 172	\$ 1,728	\$ 120
Equipment, leased	1,787	-	-	117	1,670	72
Intangibles, leased	240	-	-	240	-	-
Total lease liabilities	<u>\$ 3,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 529</u>	<u>\$ 3,398</u>	<u>\$ 192</u>

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Leased asset activity for the year ended December 31, 2024 was as follows (thousands of dollars):

<b>Governmental Activities</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Remeasure ments</u>	<u>Deletions</u>	<u>Ending Balance</u>
Lease assets being amortized					
Buildings, leased	\$ 2,244	\$ -	\$ -	\$ -	\$ 2,244
Equipment, leased	2,021	-	-	-	2,021
Intangibles, leased	<u>720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>720</u>
Total lease assets being amortized	4,985	-	-	-	4,985
Less accumulated amortization					
Buildings, leased	344	172	-	-	516
Equipment, leased	234	117	-	-	351
Intangibles, leased	<u>480</u>	<u>240</u>	<u>-</u>	<u>-</u>	<u>720</u>
Total accumulated amortization	<u>1,058</u>	<u>529</u>	<u>-</u>	<u>-</u>	<u>1,587</u>
Governmental activities leased assets, net	<u>\$ 3,927</u>	<u>\$ (529)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,398</u>

**Lessor:**

The City is a lessor for multiple leases of buildings, parking facilities and property/land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City, initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. For the current fiscal year, the City recognized approximately \$765 thousand in lease revenue and approximately \$1.55 million in lease related interest revenue. Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases, with interest rates ranged between 2.5% and 4.7%. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lease. The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The value of future minimum installment purchase payments as of December 31, 2024, is as follows:

<b>Year</b>	<b>Amount</b> (Thousands of Dollars)		
	<i>Lease Receivable</i>	<i>Interest</i>	<i>Total</i>
2025.....	\$ 4,863	\$ 1,469	\$ 6,332
2026.....	3,370	1,289	4,659
2027.....	3,349	1,160	4,509
2028.....	3,457	1,030	4,487
2029.....	2,833	895	3,728
2030-2034.....	9,672	2,761	12,433
2035-2039.....	4,682	1,455	6,137
2040-2044.....	3,059	504	3,563
2045 and beyond.....	<u>959</u>	<u>1,247</u>	<u>2,206</u>
Total.....	<u>\$ 36,244</u>	<u>\$ 11,810</u>	<u>\$ 48,054</u>

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**SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

**Governmental Activities**

The City implemented GASB Statement No. 96, SBITA's effective January 1, 2023. This Statement requires the recognition of certain subscription assets and liabilities for arrangements previously classified as operating contracts. In accordance with GASB No. 96, the City does not recognize a SBITA considered short term in duration. Short term arrangements are any contract that has a maximum remaining term (as of December 31, 2024) of 12 months or less. The City also excluded any SBITA for which the underlying contract was below our capitalization threshold.

The City has numerous arrangements for software platforms. The City recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. At the commencement of the arrangement, the City initially measures the liability at the present value of payments expected to be made during the term. Subsequently, the liability is reduced by the principal portion of lease payments made. The SBITA asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the asset is amortized on a straight-line basis over its useful life. SBITA related amortization expense of approximately \$5.0 million and \$624 thousand of interest expense was recorded in fiscal year 2024 in conjunction with implementation of the standard. Key estimates and judgments related to SBITA's include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) the arrangement term, and (3) payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases. Interest rates ranged between 3.5% and 4.6%. The SBITA term includes the noncancellable period of the arrangement. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and extension options that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of its SBITA's and will remeasure the assets and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

The aggregate amortization schedule for the non-cancellable SBITA liability as of December 31, 2024 is as follows:

Year	Amount		
	<i>(Thousands of Dollars)</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2025.....	\$ 5,937	\$ 521	\$ 6,458
2026.....	4,872	328	5,200
2027.....	3,762	172	3,934
2028.....	1,116	41	1,157
2029.....	230	14	244
Total.....	<u>\$ 15,917</u>	<u>\$ 1,076</u>	<u>\$ 16,993</u>

Changes in long term subscription obligations for the year ended December 31, 2024 were as follows (thousands of dollars):

	Beginning Balance	Additions	Remeasure ments	Deductions	Ending Balance	Amounts Due Within One year
<b>Governmental Activities</b>						
Subscription liabilities	<u>\$ 16,943</u>	<u>\$ 3,976</u>	<u>\$ -</u>	<u>\$ 5,002</u>	<u>\$ 15,917</u>	<u>5,937</u>
Total subscription liabilities	<u>\$ 16,943</u>	<u>\$ 3,976</u>	<u>\$ -</u>	<u>\$ 5,002</u>	<u>\$ 15,917</u>	<u>\$ 5,937</u>

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Subscription asset activity for the year ended December 31, 2024 was as follows (thousands of dollars):

<b>Governmental Activities</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Remeasure ments</u>	<u>Deletions</u>	<u>Ending Balance</u>
Subscription assets being amortized	\$ 20,684	\$ 3,976	\$ -	\$ -	\$ 24,660
Total subscription assets being amortized	20,684	3,976	-	-	24,660
Less accumulated amortization	3,741	5,002	-	-	8,743
Total accumulated amortization	3,741	5,002	-	-	8,743
Governmental activities subscription assets, net	\$ 16,943	\$ (1,026)	\$ -	\$ -	\$ 15,917

**Component Unit Activities**

Changes in long term subscription obligations for the year ended December 31, 2024 were as follows (thousands of dollars):

<b>Component Units</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Remeasure ments</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One year</u>
Subscription liabilities	\$ 71	\$ -	\$ -	\$ 71	\$ -	-
Total subscription liabilities	\$ 71	\$ -	\$ -	\$ 71	\$ -	\$ -

Subscription asset activity for the year ended December 31, 2024 was as follows (thousands of dollars):

<b>Component Units</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Remeasure ments</u>	<u>Deletions</u>	<u>Ending Balance</u>
Subscription assets being amortized	\$ 197	\$ -	\$ -	\$ -	\$ 197
Total subscription assets being amortized	197	-	-	-	197
Less accumulated amortization	66	65	-	-	131
Total accumulated amortization	66	65	-	-	131
Governmental activities subscription assets, net	\$ 131	\$ (65)	\$ -	\$ -	\$ 66



CITY OF MILWAUKEE  
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**13. COMMITMENTS AND CONTINGENCIES**

**Claims and Other Legal Proceedings**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employee or natural disaster. With certain exceptions, it is not the policy of the City to purchase commercial insurance for the risks of losses to which it is exposed. Instead, the City believes it is more economical to manage its risks internally and set aside funds as needed for reasonably estimated current claim settlements and unfavorable judgments through annual appropriations and supplemental appropriations. Current settlements are paid from the General Fund and recorded as expenditures when paid in the fund based statements. The liabilities are recorded in the government-wide financial statements.

Under Wisconsin Statutes, the amount recoverable by any person for any damages, injuries, or death in any action founded on fact against the City, agencies, officials, officers, or employees cannot exceed \$50,000, with certain exceptions.

The City is self-insured for workers' compensation, health insurance (basic plan), uninsured motorist vehicle coverage for City employees, and general liability. Liabilities are reported when it is probable that a loss can be reasonable estimated. These losses include an estimate of claims that have been incurred but not reported. Liabilities are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other economic and social factors. Claims are paid from the General Fund and recorded as expenditures when paid in the fund based financial statements. The liabilities are recorded in the government-wide financial statements.

The liabilities recorded as long-term debt in the government-wide financial statements at December 31 were as follows:

<b>Claim and Legal Liability Balances</b>			
	<b>2024</b>		<b>2023</b>
General liability claims .....	\$ 45,045,510	\$	48,324,764
Workers' compensation claims .....	12,410,753		11,742,953
Unemployment claims .....	570,489		900,000
Pollution remediation obligation.....	22,708,020		23,000,795
Total.....	<u>\$ 80,734,772</u>	<u>\$</u>	<u>83,968,512</u>

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

<b>Claim and Legal Liability Activity</b>			
	<b>2024</b>		<b>2023</b>
Beginning of year liability .....	\$ 83,968,512	\$	59,946,538
Current year claims and changes in estimates .....	509,798		27,101,954
Claim payments .....	(3,743,538)		(3,079,981)
End of year liability .....	<u>\$ 80,734,772</u>	<u>\$</u>	<u>83,968,512</u>

The City is self-insured for active and retired employee health insurance, which is recorded in accounts payable within the general fund. Changes in the balance of this claim liability include both actives and retirees. Changes in the liabilities during the past two years were as follows:

<b>Health Insurance Claim Activity</b>			
	<b>2024</b>		<b>2023</b>
Beginning of year liability .....	\$ 11,031,107	\$	11,831,439
Current year claims and changes in estimates .....	100,597,208		98,031,583
Claim payments .....	(102,260,643)		(98,831,915)
End of year liability .....	<u>\$ 9,367,672</u>	<u>\$</u>	<u>11,031,107</u>

**Environmental Liabilities**

The nature and sources of the City's pollution remediation obligation are asbestos abatement, underground storage tanks, PCB pollution, and contaminated properties. The probability-weighted expected cash flow measurement technique is used in

CITY OF MILWAUKEE  
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determining the amount of liability. This involves determining a range of probabilities or likelihoods that different probable outlays will be necessary and calculating a weighted average of these outlays. There is a potential for changes in the estimated pollution remediation obligation due to third-party contracts and City labor costs changes, amendments to regulatory requirements and rules, and previously unknown conditions. The estimated costs of \$300,000 to address PBC pollution could increase if the Environment Protection Agency (EPA) does not approve the City's proposed cleanup methods. The EPA could require the City to do additional testing and remediation, resulting in greater costs to the City. The City qualifies for the State of Wisconsin *Municipal Liability Exemption Program* for contaminated properties. As long as the City is protective of human health environment, cleanup is not required. The City generally cleans up contaminated properties based on remediation grants awarded to the City. The City does not expect to receive any non-grant revenues from insurance or other parties to reduce the City's liability for pollution remediation.

The City is exposed to numerous environmental liabilities. During 2024, the City's estimated liability for pollution remediation-related activities decreased \$293,000. At December 31, 2024, the City has an outstanding liability of \$22,708,020 related to pollution remediation obligations. During 2023 Port of Milwaukee entered into an agreement with the United States Environmental Protection Agency, Wisconsin Department of Natural Resources and the Milwaukee Metropolitan Sewerage District to construct a Dredged Materials Management Facility (DMMF). The DMMF will contain material dredged from the three rivers which converge near the Port, and hold the material in a sealed facility for approximately 100 years. The current cost of exposure is \$21,994,000 which is included in the total outstanding liability; as of December 31, 2024 this estimate has not changed. The City has seven landfills, four of the seven landfills have been closed. The remaining three landfills are no longer accepting waste, with the exception of the South College Avenue site which will remain open for several more years. The Wisconsin Department of Natural Resources has imposed closure requirements on the North College Avenue Site, which the City substantially closed during 2000. The City spent \$105,220 in post-closure care of solid waste landfills during 2024. Actual future costs may be higher due to inflation, changes in technology, or changes in regulations.

#### Intergovernmental grants

Intergovernmental awards received by the City 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 City may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying financial statements at December 31, 2024.

#### Commitments

The following is a list of encumbrances by function at December 31, 2024:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Water Works</u>	<u>Total</u>
	(Thousands of Dollars)			
General government.....	\$ 620	\$ 567	\$ -	\$ 1,187
Conservation and development.....	292	10,765	-	11,057
Health.....	4	-	-	4
Culture and Recreation.....	748	2,961	-	3,709
Public safety.....	4,507	6,132	-	10,639
Public works.....	3,076	-	-	3,076
Infrastructure.....	<u>-</u>	<u>87,118</u>	<u>29,054</u>	<u>116,172</u>
Total.....	<u>\$ 9,247</u>	<u>\$ 107,543</u>	<u>\$ 29,054</u>	<u>\$ 145,844</u>

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**14. TAX ABATEMENTS**

Wisconsin State Statute Section 66.1105 gives the City of Milwaukee (City) the authority to create Tax Incremental Financing (TIF) districts. TIF is an economic development tool used by the City to leverage private development investment. As of December 31, 2024, the City provides tax incentives to certain developers of properties within tax incremental districts (TIDs) utilizing the following methods.

Program 1 - Developer-Financed Projects:

- The City and/or Redevelopment Authority of the City of Milwaukee (RACM) enter into an agreement with a developer or corporation to fund a portion of a redevelopment project. The developer/corporation advances the City's contribution and the advance is considered a loan to the City at an agreed-upon interest rate. The loan to the City is repaid by using a portion of the annual tax increment revenue to repay the developer/corporation. In most instances, the amount of the City's loan repayment to the developer/corporation can be reduced if an economic indicator, such as full-time-equivalent employment, is not achieved. Moreover, loan repayments typically cease after a set number of years, even if the loan is not fully amortized.

Program 2 – Grants to Developers/Corporations:

- In exchange for performing or taking a certain action, such as renewing a lease to remain at a certain location, the City and/or RACM (through the TID) will provide a grant, payable through a refund of annual taxes paid. The amount of the refund can be reduced for not meeting an economic indicator, such as full-time-equivalent employment.

Authority for these tax abatement agreements is provided by 66.1105 Wis. Stats. (Tax Increment Law), and 66.1333 Wis. Stats. (Blight Elimination and Slum Clearance). All tax abatement agreements also require the approval of the City of Milwaukee Common Council, RACM Board and the Joint Review Board.

The City is the collection agent for the property taxes of all overlying taxing authorities and deposits the revenues into a separate fund. Taxes refunded during 2024 and the remaining potential future refunds are shown in the table below. The "Remaining" column represents the maximum principal amount outstanding as of December 31, 2024.

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	Tax Abatement Activity			2024 Remaining
	2023 Remaining	Additions	2024 Taxes Refunded	
<b>Program 1, Developer-Financed</b>		<i>(Thousands of Dollars)</i>		
TID 57.....	\$ 496	25	(455)	\$ 66
TID 64.....	13,337	806	(317)	13,826
TID 78.....	34,596	1,693	(5,206)	31,083
TID 80.....	1,591	72	(305)	1,358
TID 83.....	2,001	109	(713)	1,397
TID 84.....	8,459	21	(173)	8,307
TID 86.....	1,592	71	(51)	1,612
TID 87.....	1,012	45	(80)	977
TID 90.....	555	25	(46)	534
TID 93.....	509	23	(47)	485
TID 94.....	3,800	(1,350)	(2,050)	400
TID 95.....	464	21	(41)	444
TID 96.....	22,926	330	(3,159)	20,097
TID 97.....	8,200	449	(623)	8,026
TID 99.....	871	48	(431)	488
TID 102.....	15,000	-	-	15,000
TID 103.....	1,050	52	(77)	1,025
TID 104.....	460	68	(72)	456
TID 105.....	3,150	-	-	3,150
TID 107.....	647	-	-	647
TID 108.....	7,900	-	-	7,900
TID 109.....	1,800	-	-	1,800
TID 110.....	7,000	-	-	7,000
TID 112.....	915	-	-	915
TID 113.....	875	-	-	875
TID 114.....	737	-	-	737
TID 115.....	30,000	-	-	30,000
TID 116.....	1,248	-	-	1,248
TID 117.....	9,200	-	-	9,200
TID 118.....	-	2,170	-	2,170
TID 119.....	-	2,340	-	2,340
TID 120.....	-	2,000	-	2,000
TID 121.....	-	700	-	700
Total Program 1.....	\$ 180,391	\$ 9,718	\$ (13,846)	\$ 176,263
<b>Program 2, Grant</b>				
TID 63.....	999	-	(186)	813
Total Program 2.....	\$ 999	\$ -	\$ (186)	\$ 813
Total tax abatements.....	\$ 181,390	\$ 9,718	\$ (14,032)	\$ 177,076

CITY OF MILWAUKEE  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2024

**15. ERROR CORRECTION**

The Employers Retirement System of The City of Milwaukee (CMERS) revised how it reports its GASB 67 plan disclosures, the revision is in how it calculated the plans net pension liability. Prior to 2023, CMERS included the Employer Reserve Fund within the plans assets that were used in determining net pension liability. During the 2023 audit by the State of Wisconsin Legislative Audit Bureau, CMERS determined that the Employers' Reserve Fund should not be considered in calculating the retirement system's net pension liability since the assets cannot be used for pension benefits until the authorized by each individual contributing employer for their portion. The City of Milwaukee is one of the employer members and has not authorized the Fund's use for that purpose. Therefore, the City of Milwaukee has restated the beginning net position for this error correction for the City's proportionate share of the net pension liability within CMERS. CMERS only restated 2023 and the City has no data to reasonably restate years prior to 2023.

The error correction resulted in an increase in the total plan beginning balance of NPL by approximately \$80.8 million. The restatement for the City of Milwaukee portion of this error correction is \$68 million.

Restatement of Beginning Net Position Balances (dollar amounts in thousands):

	December 31, 2023 As Previously Reported		Error Correction	December 31, 2023 As Restated
Government Wide				
Governmental activities .....	\$	(1,648,254)	\$ (66,306)	\$ (1,714,560)
Business-type activities .....		859,476	(1,759)	857,717
Total Government Wide .....	<u>\$</u>	<u>(788,778)</u>	<u>\$ (68,065)</u>	<u>\$ (856,843)</u>
Proprietary Funds				
Major Funds				
Water Works .....	\$	492,247	\$ (1,405)	\$ 490,842
Sewer Maintenance .....		358,903	(186)	358,717
Nonmajor Proprietary Funds .....		8,326	(168)	8,158
Total Proprietary Funds .....	<u>\$</u>	<u>859,476</u>	<u>\$ (1,759)</u>	<u>\$ 857,717</u>
Nonmajor Proprietary Funds				
Transportation .....	\$	2,704	\$ (129)	\$ 2,575
Port .....		4,556	(39)	4,517
Sewer User .....		1,066	-	1,066
Total Nonmajor Proprietary Funds .....	<u>\$</u>	<u>8,326</u>	<u>\$ (168)</u>	<u>\$ 8,158</u>

CITY OF MILWAUKEE  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2024

Restatement of Beginning Pension Net Liability balances (dollar amounts in thousands):

	December 31, 2023 As Previously Reported		Error Correction	December 31, 2023 As Restated
Government Wide				
Governmental activities .....	\$	1,249,376	\$ 66,306	\$ 1,315,682
Business-type activities .....		33,156	1,759	34,915
Total Government Wide .....	\$	1,282,532	\$ 68,065	\$ 1,350,597
Proprietary Funds				
Major Funds				
Water Works .....	\$	26,476	\$ 1,405	\$ 27,881
Sewer Maintenance .....		3,507	186	3,693
Nonmajor Proprietary Funds .....		3,173	168	3,341
Total Proprietary Funds .....	\$	33,156	\$ 1,759	\$ 34,915
Nonmajor Proprietary Funds				
Transportation .....	\$	2,464	\$ 129	\$ 2,593
Port .....		709	39	748
Sewer User .....		-	-	-
Total Nonmajor Proprietary Funds .....	\$	3,173	\$ 168	\$ 3,341

## 16. SUBSEQUENT EVENTS

On January 15, 2025, the City received \$1,897,512 under the September 11, 2024 Financial Assistance Agreement from the SDWL program for water capital purposes relating to lead service line replacements. The amount was immediately forgiven by the State.

On March 26, 2025, the City issued \$65,000,000 of general obligation promissory notes, Series 2025 N1, for capital project, fiscal, and refunding purposes. The notes mature in each of the years 2026 through 2040.

On March 27, 2025, the City paid off \$1,500,000 of the 2024 T8 Revolving Loan Agreement with The Huntington National Bank and paid off \$1,500,000 of the 2024 T10 Revolving Loan Agreement with US Bank National Association.

On May 16, 2025, the City drew \$3,480,300 on the 2024 T8 Revolving Loan Agreement with The Huntington National Bank and \$3,480,300 on the 2024 T10 Revolving Loan Agreement with US Bank National Association for working capital purposes.

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**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS) - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
*(Thousands of Dollars)*

	<b>Budgeted Amounts</b>		<b>Actual -</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Positive</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budgetary</b>	<b>(Negative)</b>
			<b>Basis</b>	
<b>Revenues:</b>				
Property taxes .....	\$ 172,140	\$ 172,140	\$ 172,140	\$ -
Sales taxes .....	184,000	184,000	200,621	16,621
Other taxes .....	3,549	3,549	2,995	(554)
Licenses and permits .....	17,857	17,857	20,206	2,349
Intergovernmental .....	295,379	295,379	295,592	213
Charges for services .....	140,029	140,389	144,987	4,598
Fines and forfeits .....	3,001	3,001	1,944	(1,057)
Other .....	25,122	25,122	22,042	(3,080)
<b>Total Revenues .....</b>	<b>841,077</b>	<b>841,437</b>	<b>860,527</b>	<b>19,090</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government .....	435,792	359,671	311,458	48,213
Public safety .....	337,351	316,747	312,262	4,485
Public works .....	121,140	120,716	119,846	870
Health .....	15,324	13,451	13,437	14
Culture and recreation .....	12,242	13,732	13,724	8
Conservation and development .....	3,299	3,537	3,408	129
Capital outlay .....	-	-	3,976	(3,976)
<b>Total Expenditures .....</b>	<b>925,148</b>	<b>827,854</b>	<b>778,111</b>	<b>49,743</b>
<b>Excess (Deficiency) of Revenues over Expenditures ..</b>	<b>(84,071)</b>	<b>13,583</b>	<b>82,416</b>	<b>68,833</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds of subscription arrangements .....	-	-	3,976	3,976
Transfers in .....	-	25,689	25,689	-
Transfers out .....	-	(5,694)	(5,694)	-
Contributions received .....	33,104	27,045	22,366	(4,679)
Contributions used .....	(33,104)	(27,045)	(23,704)	3,341
<b>Total Other Financing Sources and Uses .....</b>	<b>-</b>	<b>19,995</b>	<b>22,633</b>	<b>2,638</b>
<b>Net Change in Fund Balance .....</b>	<b>\$ (84,071)</b>	<b>\$ 33,578</b>	<b>105,049</b>	<b>\$ 71,471</b>
<b>Fund Balance - Beginning.....</b>			<b>236,411</b>	
<b>Fund Balance - Ending .....</b>			<b>\$ 341,460</b>	

**Explanation of Differences of Budget to GAAP:**

Contributions received and used for budget purposes are reported as other financing sources, but for GAAP are considered to be revenues and expenditures.

Please reference Exhibit I-9 for additional detail.

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - ECONOMIC DEVELOPMENT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit E-2

	Amended Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Property taxes .....	\$ 57,277	\$ 57,277	\$ -
Total Revenues .....	<u>57,277</u>	<u>57,277</u>	<u>-</u>
Expenditures:			
Current:			
Conservation and development .....	-	-	-
Excess of Revenues over Expenditures .....	57,277	57,277	-
Other Financing Sources (Uses):			
Transfers in .....	2,819	2,819	-
Transfers out .....	<u>(38,700)</u>	<u>(38,700)</u>	<u>-</u>
Total Other Financing Sources and Uses .....	<u>(35,881)</u>	<u>(35,881)</u>	<u>-</u>
Net Change in Fund Balance .....	<u>\$ 21,396</u>	21,396	<u>\$ -</u>
Fund Balance - Beginning .....		<u>142,856</u>	
<b>Fund Balance - Ending .....</b>		<b><u>\$ 164,252</u></b>	

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**BUDGETARY COMPARISON SCHEDULE - GRANT AND AID PROJECTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit E-3

	Amended Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Intergovernmental .....	\$ 386,806	\$ 221,079	\$(165,727)
Expenditures:			
Current:			
General government .....	36,102	35,819	283
Public safety .....	155,698	116,115	39,583
Public works .....	42,395	30,830	11,565
Health .....	55,873	25,226	30,647
Culture and recreation .....	22,520	19,707	2,813
Conservation and development .....	74,218	52,503	21,715
Total Expenditures .....	386,806	280,200	106,606
Excess (Deficiency) of Revenues over Expenditures .....	-	(59,121)	(59,121)
Other Financing Sources (Uses):			
Loans receivable activities .....	-	(193)	(193)
Transfers out .....	-	(1)	(1)
Net Change in Fund Balance .....	\$ -	(59,315)	\$ (59,315)
Fund Balance (deficit) - Beginning .....		(5,650)	
Fund Balance (deficit) - Ending .....		<u>\$ (64,965)</u>	

See accompanying independent auditors' report.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULES OF FUNDING PROGRESS - OPEB NET POSITION, LIABILITY AND CONTRIBUTIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
*(Thousands of Dollars)*

**RETIREE HEALTH AND LIFE INSURANCE (OPEB)**

**PLAN FIDUCIARY NET POSITION**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Employer contributions.....	\$ 35,916	\$ 40,842	\$ 36,445	\$ 41,286	\$ 39,330
Active member contributions.....	-	-	-	-	-
Net investment income.....	-	-	-	-	-
Benefit payments.....	(35,916)	(40,842)	(36,445)	(41,286)	(39,330)
Operating expenses.....	-	-	-	-	-
Other.....	-	-	-	-	-
Net Change in Plan Fiduciary Net Position.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Discount rate at beginning of year.....	3.31%	3.71%	2.75%	2.00%	1.84%
Discount rate at end of year.....	3.71%	2.75%	2.00%	1.84%	4.05%

	<u>2023</u>	<u>2024</u>
Employer contributions.....	\$ 38,467	\$ 39,177
Active member contributions.....	-	-
Net investment income.....	-	-
Benefit payments.....	(38,467)	(39,177)
Operating expenses.....	-	-
Other.....	-	-
Net Change in Plan Fiduciary Net Position.....	<u>\$ -</u>	<u>\$ -</u>
Discount rate at beginning of year.....	4.05%	3.77%
Discount rate at end of year.....	3.77%	4.08%

**TOTAL OPEB LIABILITY**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB liability beginning of year.....	\$ 1,228,405	\$ 1,212,927	\$ 1,444,168	\$ 1,690,355	\$ 1,680,554
OPEB expense.....	80,742	107,414	145,270	134,199	54,960
Employer contributions.....	(35,916)	(40,842)	(36,445)	(41,286)	(39,330)
Change in outflow/(inflow) due to non-investment experience.....	(156)	-	-	-	-
Change in outflow/(inflow) due to assumption changes.....	(60,148)	211,954	133,199	(91,708)	(480,355)
Change in outflow/(inflow) due to liability experience.....	-	(47,285)	4,163	(11,006)	13,002
Total OPEB liability end of year.....	<u>\$ 1,212,927</u>	<u>\$ 1,444,168</u>	<u>\$ 1,690,355</u>	<u>\$ 1,680,554</u>	<u>\$ 1,228,831</u>

	<u>2023</u>	<u>2024</u>
Total OPEB liability beginning of year.....	\$ 1,228,831	\$ 1,114,845
OPEB expense.....	9,442	796
Employer contributions.....	(38,467)	(39,177)
Change in outflow/(inflow) due to non-investment experience.....	(163,956)	43,778
Change in outflow/(inflow) due to assumption changes.....	78,995	(13,092)
Change in outflow/(inflow) due to liability experience.....	-	-
Total OPEB liability end of year.....	<u>\$ 1,114,845</u>	<u>\$ 1,107,150</u>

**SCHEDULE OF OPEB CONTRIBUTIONS**

FY ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency Excess	Covered - Employee Payroll	Actual Contribution as a % of Covered - Employee Payroll	Total OPEB Liability as a % of Covered - Employee Payroll
2017	N/A	\$ 34,120	N/A	\$ 410,203	8.32%	299.46%
2018	N/A	\$ 35,918	N/A	\$ 422,509	8.50%	287.08%
2019	N/A	\$ 40,842	N/A	\$ 375,433	10.90%	384.67%
2020	N/A	\$ 36,445	N/A	\$ 388,040	9.39%	435.61%
2021	N/A	\$ 41,286	N/A	\$ 346,833	11.90%	484.54%
2022	N/A	\$ 39,330	N/A	\$ 358,672	10.97%	342.61%
2023	N/A	\$ 38,467	N/A	\$ 311,463	12.35%	357.94%
2024	N/A	\$ 39,177	N/A	\$ 322,220	12.16%	343.60%

Note: Schedule is intended to report data for the last 10 fiscal years. Additional years will be displayed as they become available. There are no assets accumulated in a trust to fund future OPEB obligations.

See accompanying independent auditors' report.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULES OF FUNDING PROGRESS - PENSION NET LIABILITY AND CONTRIBUTIONS**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**

Employees' Retirement System

	<u>12/31/15</u>	<u>12/31/16</u>	<u>12/31/17</u>	<u>12/31/18</u>	<u>12/31/19</u>
The City's proportion of the net pension liability .....	83.92%	83.08%	82.85%	83.74%	85.56%
The City's proportionate share of the net pension liability .....					
liability .....	\$ 95,224	\$ 349,915	\$ 353,030	\$ 303,583	\$ 1,145,601
The City's covered payroll.....	\$ 444,719	\$ 445,615	\$ 483,819	\$ 483,261	\$ 491,477
Plan fiduciary net position as a percentage of the total pension liability .....	97.76%	91.95%	91.98%	93.70%	78.70%
	<u>12/31/20</u>	<u>12/31/21</u>	<u>12/31/22</u>	<u>12/31/23 *</u>	<u>12/31/24</u>
The City's proportion of the net pension liability .....	85.63%	84.92%	84.67%	84.30%	80.34%
The City's proportionate share of the net pension liability .....					
liability .....	850,751	927,864	380,774	1,350,597	1,653,364
The City's covered payroll.....	498,051	506,458	496,459	488,416	481,464
Plan fiduciary net position as a percentage of the total pension liability .....	84.83%	83.80%	76.70%	77.27%	73.51%

**SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS**

Employees' Retirement System

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Legally required contributions.....	\$ 66,333	\$ 66,401	\$ 74,811	\$ 74,884	\$ 76,657
Contributions in relation to the required contributions.....	\$ 59,985	\$ 61,390	\$ 65,410	\$ 95,268	\$ 71,160
Contribution deficiency (excess).....	\$ 6,348	\$ 5,011	\$ 9,401	\$ 4,944	\$ 5,497
City's pensionable - covered payroll.....	\$ 380,976	\$ 383,845	\$ 422,717	\$ 483,261	\$ 491,477
Contributions as a percentage of covered payroll.....	15.75%	15.99%	15.47%	14.47%	14.48%
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Legally required contributions.....	\$ 77,295	\$ 76,660	\$ 75,721	\$ 74,248	\$ 146,406
Contributions in relation to the required contributions.....	\$ 82,533	\$ 74,443	\$ 77,197	\$ 127,817	\$ 137,415
Contribution deficiency (excess).....	\$ (5,238)	\$ 2,217	\$ (1,476)	\$ (53,569)	\$ 8,991
City's pensionable - covered payroll.....	\$ 395,015	\$ 387,823	\$ 431,687	\$ 428,977	\$ 457,819
Contributions as a percentage of covered payroll.....	20.89%	19.20%	17.88%	29.80%	30.02%

\* - as restated, see footnote 15. CMERS only restated 2023 and The City has no data to reasonably restate years prior to 2023.

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
 FOR THE YEAR ENDED DECEMBER 31, 2023

## Schedules of Funding Progress

### Retiree Health and Life Insurance – Actuarial Methods and Assumptions

Valuation date	January 1, 2023
Measurement date	December 31, 2024
Actuarial cost method	Entry age normal (level percent of salary)
Amortization method	Average of expected remaining service lives
Amortization period	6 years
Contribution policy	Pay-as-you-go
Asset valuation method	No assets
Current discount rate	4.08%
Wage inflation	3.0% for general employees and 3.0% for public safety employees.
Salary increases	For general employees, salary increase rates start at 6.25% at service 1 age and decrease steadily to 3.0% at service 35 age. For public safety employees, salary increases start at 18.0% at service 1 age and decrease steadily to 3.0% at service 40 age.
Health care inflation rate	Pre-Medicare trend rates are 5.0% for 2024, 7.0% for 2025, and grade down in 0.25% increments to an ultimate trend rate of 4.25% in 2036. Post-Medicare trend rates are -2.6% for 2024, 8.0% for 2025, and grade down in 0.25% increments to an ultimate trend rate of 4.25% in 2040.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	General Members: For regular retirees and for survivors the PUB-2010 Below Median Income Healthy Annuitant Mortality Table (using 1 year setback for males and 2 year set forward for females) (base year 2010) projected generationally with Scale MP-2021. For duty and ordinary disability retirees, the PUB-2010 Non-Safety Disabled Mortality Table (using 1 year setback for males and 2 year set forward for females) (base year 2010) projected generationally with Scale MP-2021. For death in active service, the PUB-2010 Below Median Income General Employee Mortality Table (using 1 year setback for males and 2 year set forward for females) (base year 2010) projected generationally with Scale MP-2021. Police and Fire: For regular retirees the PUB-2010 Median Income Public Safety Annuitant Mortality Table (using 1 year set forward for males and females) (base year 2010) projected generationally with Scale MP-2021. For duty and ordinary disability retirees, the PUB-2010 Safety Disabled Mortality Table (using 1 year set forward for males and females) (base year 2010) projected generationally with Scale MP-2021. For death in active service the PUB-2010 Median Income Safety Employee Mortality Table (using 1 year set forward for males and females) (base year 2010) projected generationally with Scale MP-2021.

Changes of assumptions: The discount rate changed from 3.77% to 4.08%.

The City implemented GASB Statement No. 75 in 2018. Information prior to 2018 is not available.

*See accompanying independent auditors' report*

CITY OF MILWAUKEE  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
 FOR THE YEAR ENDED DECEMBER 31, 2023

**Pension Liability and Contributions – Actuarial Methods and Assumptions**

Valuation date	January 1, 2023
Measurement date	December 31, 2023
Actuarial cost method	Entry age normal – level percentage of pay
Amortization method	Level percent of payroll, closed
Asset valuation method	5-year smoothing of difference between expected return on actuarial value and actual return on fair value.
Investment rate of return	6.80% per annum, compounded annually.
Projected salary increases	General City 3.0% - 7.5%
	Police & Fire 3.0% - 19.0%
Inflation assumption	2.50%
Changes of assumptions	The discount rate remained unchanged at 7.5%.
Changes of benefit terms	There were no changes of benefit terms for any City of Milwaukee Employees' Retirement System participants.

Chapter 36 of the City Ordinances requires the City to contribute 100% of pension liability.

**Budgets and Budgetary Accounting**

City departments are required to submit their annual budget requests for the ensuing year to the Mayor by the second Tuesday in May. The Department of Administration, Division of Budget and Management Analysis, acting as staff for the Mayor, reviews the request in detail with the departments during June and July. After all of the requests have been reviewed, the Mayor submits his proposed Executive Budget to the Common Council. The City Charter requires that this be done on or before September 28. The Common Council must complete its review and adopt the budget on or before November 14. Once adopted, Common Council approval is required to amend the total appropriations by a department at the object class level, the legal level of control for each budget. During the year, various amendments were made to the budget including carryovers of appropriations and encumbrances, and internal transfers.

Annual budgets are legally adopted by the Common Council for some but not all governmental funds. Annual budgets are not adopted for the Special Revenue Funds: Delinquent Tax, Public Debt Amortization and Capital Projects Funds. The General Obligation Debt Service Fund uses a non-appropriated budget. Budgets for Capital Projects Funds are prepared for the project life, rather than for the standard current fiscal year. Therefore, project appropriations for these budgets lapse at the conclusion of the project. All other appropriations lapse at the end of the current fiscal year. Governmental funds for which annual budgets have been adopted are included in the accompanying Required Supplementary Information Budgetary Comparison Schedule and in the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.

*See accompanying independent auditors' report*

**COMBINING  
AND INDIVIDUAL  
FUND STATEMENTS  
AND SCHEDULES**



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### **Nonmajor Governmental Funds**

Nonmajor funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

*Community Development Block Grant* – The Community Development Block Grant Program receives annual grants pursuant to the Federal Housing and Community Development Act of 1974. This fund also includes amounts received under the Section 108 Loan Program. The City's Department of Administration is responsible for the planning, execution and evaluation of the Program.

*Delinquent Tax* – This fund was established as a reserve against uncollected delinquent property taxes. Fund resources, consisting initially of bond proceeds, are used to purchase delinquent property taxes from the General Fund. Collections on these purchased receivables and related interest thereon are transferred to the General Obligation Debt Service Fund to provide for the related debt service requirements.

*Settlement Fund* – This fund was established in 2024 to account for the settlements received from Opioid and JUUL legal cases. Fund resources consist of court ordered settlement payments and uses are to mitigate the impacts to the community.

CITY OF MILWAUKEE  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
 DECEMBER 31, 2024  
 (Thousands of Dollars)

Exhibit F-1

	Community Development Block Grant	Settlement Fund	Delinquent Tax	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Assets:				
Cash and cash equivalents .....	\$ 876	\$ 11,599	\$ -	\$ 12,475
Receivables (net):				
Taxes .....	-	-	28,288	28,288
Notes and loans .....	4,007	-	-	4,007
Settlements .....	-	22,519	-	22,519
Due from component units .....	25	-	-	25
Due from other governmental agencies .....	3,585	-	-	3,585
Prepaid items .....	13	-	-	13
<b>Total Assets .....</b>	<b>\$ 8,506</b>	<b>\$ 34,118</b>	<b>\$ 28,288</b>	<b>\$ 70,912</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)</b>				
Liabilities:				
Accounts payable .....	\$ 2,621	\$ 34	\$ 30	\$ 2,685
Accrued expenses .....	80	-	-	80
Due to other funds .....	312	-	28,258	28,570
Due to other governmental agencies .....	876	-	-	876
Unearned revenue.....	610	690	-	1,300
Advance from other funds .....	-	-	800	800
<b>Total Liabilities .....</b>	<b>4,499</b>	<b>724</b>	<b>29,088</b>	<b>34,311</b>
Deferred Inflows of Resources:				
Unavailable revenue .....	152	22,519	7,157	29,828
Fund Balances (Deficit):				
Nonspendable.....	13	-	-	13
Restricted.....	4,007	10,875	-	14,882
Unassigned (Deficit).....	(165)	-	(7,957)	(8,122)
<b>Total Fund Balances (Deficit).....</b>	<b>3,855</b>	<b>10,875</b>	<b>(7,957)</b>	<b>6,773</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances (Deficit) .....</b>	<b>\$ 8,506</b>	<b>\$ 34,118</b>	<b>\$ 28,288</b>	<b>\$ 70,912</b>

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit F-2

	Community Development Block Grant	Settlement Fund	Delinquent Tax	Total Nonmajor Governmental Funds
Revenues:				
Intergovernmental .....	\$ 19,512	\$ -	\$ -	\$ 19,512
Other .....	<u>-</u>	<u>7,345</u>	<u>7,192</u>	<u>14,537</u>
Total Revenues .....	<u>19,512</u>	<u>7,345</u>	<u>7,192</u>	<u>34,049</u>
Expenditures:				
Current:				
General government .....	2,543	55	1,672	4,270
Public safety .....	5,003	-	-	5,003
Culture and recreation .....	1,323	-	-	1,323
Conservation and development .....	<u>7,750</u>	<u>-</u>	<u>-</u>	<u>7,750</u>
Total Expenditures .....	<u>16,619</u>	<u>55</u>	<u>1,672</u>	<u>18,346</u>
Excess (Deficiency) of Revenues over Expenditures .....	<u>2,893</u>	<u>7,290</u>	<u>5,520</u>	<u>15,703</u>
Other Financing Sources (Uses):				
General obligation bonds and notes issued ....	-	-	19,205	19,205
Loans activities.....	(389)	-	-	(389)
Transfers in .....	-	3,585	-	3,585
Transfers out .....	<u>-</u>	<u>-</u>	<u>(25,236)</u>	<u>(25,236)</u>
Total Other Financing Sources (Uses)	<u>(389)</u>	<u>3,585</u>	<u>(6,031)</u>	<u>(2,835)</u>
Net Change in Fund Balances.....	2,504	10,875	(511)	12,868
Fund Balances - Beginning (Deficit).....	<u>1,351</u>	<u>-</u>	<u>(7,446)</u>	<u>(6,095)</u>
<b>Fund Balances - Ending (Deficit).....</b>	<b><u>\$ 3,855</u></b>	<b><u>\$ 10,875</u></b>	<b><u>\$ (7,957)</u></b>	<b><u>\$ 6,773</u></b>

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit F-3

	Amended Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Intergovernmental .....	<u>\$ 19,512</u>	<u>\$ 19,512</u>	<u>\$ -</u>
Expenditures:			
Current:			
General government .....	2,543	2,543	-
Public safety .....	5,003	5,003	-
Culture and recreation .....	1,323	1,323	-
Conservation and development .....	<u>7,750</u>	<u>7,750</u>	<u>-</u>
Total Expenditures .....	<u>16,619</u>	<u>16,619</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures .....	2,893	2,893	-
Other Financing Sources/(Uses):			
Loans receivable activities .....	<u>(389)</u>	<u>(389)</u>	<u>-</u>
Net Change in Fund Balance .....	<u>\$ 2,504</u>	2,504	<u>\$ -</u>
Fund Balance - Beginning .....		<u>1,351</u>	
<b>Fund Balance - Ending .....</b>		<b><u>\$ 3,855</u></b>	

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - SETTLEMENT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit F-4

	Amended Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Other .....	\$ 7,345	\$ 7,345	\$ -
Expenditures:			
Current:			
General government .....	55	55	-
Total Expenditures .....	55	55	-
Excess (Deficiency) of Revenues over Expenditures .....	7,290	7,290	-
Other Financing Sources/(Uses):			
Transfers In .....	3,585	3,585	-
Net Change in Fund Balance .....	<u>\$ 10,875</u>	10,875	<u>\$ -</u>
Fund Balance - Beginning .....		-	
<b>Fund Balance - Ending .....</b>		<b><u>\$ 10,875</u></b>	

See accompanying independent auditors' report.

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### **Nonmajor Proprietary Funds**

Proprietary Funds are used to account for operations that provide services which are financed primarily by user charges, or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes.

*Transportation* – This fund accounts for revenues derived from parking meters, parking permits, rentals and leasing of parking facilities, and other revenues attributable to parking. The revenues are used to defray administrative and operational costs related to parking operations, and to acquire landscape and construct parking lots and structures. This fund also accounts for streetcar operations and structures.

*Port of Milwaukee* – All activities necessary to operate and maintain the Port of Milwaukee and other related harbor activities are accounted for in this fund.

*Metropolitan Sewerage District User Charge* – The Metropolitan Sewerage District User Charge Fund is used to account for sewerage treatment charges by the Milwaukee Metropolitan Sewerage District to the City on a “wholesale” user charge basis and the subsequent billing by the City to customers on a “retail” basis. The City adds administrative expense to the District’s charges and includes the sewer user charges on the quarterly water bills.



CITY OF MILWAUKEE  
**COMBINING STATEMENT OF FUND NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit G-1

	Transportation	Port of Milwaukee	Metropolitan Sewerage District User Charge	Total Nonmajor Proprietary Funds
<b>ASSETS AND DEFERRED INFLOWS OF RESOURCES</b>				
Current Assets:				
Cash and cash equivalents .....	\$ 63	\$ 636	\$ -	\$ 699
Receivables (net):				
Accounts .....	1,550	1,252	15,756	18,558
Unbilled accounts .....	-	-	4,377	4,377
Leases .....	237	3,648	-	3,885
Due from other funds .....	-	-	596	596
Due from other governmental agencies .....	895	1,815	-	2,710
Total Current Assets .....	<u>2,745</u>	<u>7,351</u>	<u>20,729</u>	<u>30,825</u>
Noncurrent assets:				
Leases receivable.....	7,064	18,816	-	25,880
Capital assets:				
Capital assets not being depreciated:				
Land .....	9,007	8,454	-	17,461
Construction in progress .....	18,077	-	-	18,077
Capital assets being depreciated:				
Buildings .....	89,320	16,749	-	106,069
Infrastructures .....	-	21,775	-	21,775
Improvements other than buildings .....	5,194	15,968	-	21,162
Machinery and equipment .....	10,540	9,044	-	19,584
Accumulated depreciation .....	(68,147)	(34,992)	-	(103,139)
Net Capital Assets .....	<u>63,991</u>	<u>36,998</u>	<u>-</u>	<u>100,989</u>
Total Assets.....	<u>73,800</u>	<u>63,165</u>	<u>20,729</u>	<u>157,694</u>
Deferred Outflows of Resources:				
Deferred outflows for pensions .....	2,610	705	-	3,315
Deferred outflows for OPEB .....	296	157	-	453
Total Deferred Outflows of Resources.....	<u>2,906</u>	<u>862</u>	<u>-</u>	<u>3,768</u>

CITY OF MILWAUKEE  
**COMBINING STATEMENT OF FUND NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit G-1

	Transportation	Port of Milwaukee	Metropolitan Sewerage District User Charge	Total Nonmajor Proprietary Funds
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
Current Liabilities:				
Accounts payable .....	\$ 3,066	\$ 1,787	\$ 11,973	\$ 16,826
Accrued expenses .....	471	92	-	563
Accrued interest payable .....	149	52	-	201
Compensated absences .....	436	150	-	586
Due to other funds .....	-	1,593	7,220	8,813
Due to other governmental agencies .....	7	-	-	7
Other post employment benefits liability.....	292	40	-	332
Unearned revenue.....	233	-	-	233
General obligation debt payable - current .....	1,865	649	-	2,514
Revenue bonds payable - current .....	-	585	-	585
Total Current Liabilities .....	<u>6,519</u>	<u>4,948</u>	<u>19,193</u>	<u>30,660</u>
Noncurrent Liabilities:				
Compensated absences .....	124	77	-	201
General obligation debt payable .....	13,969	4,228	-	18,197
Revenue bonds .....	-	3,710	-	3,710
Advances from other funds .....	32,135	-	-	32,135
Claims and judgments.....	-	21,994	-	21,994
Other post employment benefits liability.....	6,597	1,070	-	7,667
Net pension liability .....	<u>5,107</u>	<u>1,402</u>	<u>-</u>	<u>6,509</u>
Total Noncurrent Liabilities .....	<u>57,932</u>	<u>32,481</u>	<u>-</u>	<u>90,413</u>
Total Liabilities .....	<u>64,451</u>	<u>37,429</u>	<u>19,193</u>	<u>121,073</u>
Deferred Inflows:				
Deferred inflows for pensions .....	8	2	-	10
Deferred inflows for OPEB .....	4,874	1,219	-	6,093
Deferred inflows for leases .....	<u>7,301</u>	<u>22,464</u>	<u>-</u>	<u>29,765</u>
Total Deferred Inflows of Resources.....	<u>12,183</u>	<u>23,685</u>	<u>-</u>	<u>35,868</u>
<b>NET POSITION:</b>				
Net investment in capital assets.....	48,157	27,826	-	75,983
Unrestricted (Deficit).....	<u>(48,085)</u>	<u>(24,913)</u>	<u>1,536</u>	<u>(71,462)</u>
Total Net Position .....	<u>\$ 72</u>	<u>\$ 2,913</u>	<u>\$ 1,536</u>	<u>\$ 4,521</u>

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (Thousands of Dollars)

Exhibit G-2

	Transportation	Port of Milwaukee	Metropolitan Sewerage District User Charge	Total Nonmajor Proprietary Funds
Operating Revenues:				
Charges for Services:				
Statutory sewer user fee .....	\$ -	\$ -	\$ 60,575	\$ 60,575
Rent .....	6,690	7,403	-	14,093
Parking meters .....	4,440	-	-	4,440
Parking permits .....	3,210	-	-	3,210
Vehicle towing .....	6,996	-	-	6,996
Parking forfeitures .....	11,303	-	-	11,303
Other .....	580	-	1,562	2,142
Total Operating Revenues .....	<u>33,219</u>	<u>7,403</u>	<u>62,137</u>	<u>102,759</u>
Operating Expenses:				
Milwaukee Metropolitan Sewerage District Charges .....	-	-	55,485	55,485
Employee services .....	8,556	2,732	41	11,329
Depreciation .....	2,442	1,637	-	4,079
Services, supplies and materials .....	<u>23,050</u>	<u>4,304</u>	<u>6,141</u>	<u>33,495</u>
Total Operating Expenses .....	<u>34,048</u>	<u>8,673</u>	<u>61,667</u>	<u>104,388</u>
Operating Income (Loss) .....	<u>(829)</u>	<u>(1,270)</u>	<u>470</u>	<u>(1,629)</u>
Nonoperating Revenues (Expenses):				
Grant revenue .....	595	909	-	1,504
Interest expense .....	(595)	(257)	-	(852)
Other .....	<u>893</u>	<u>(120)</u>	<u>-</u>	<u>773</u>
Total Nonoperating Revenues (Expenses) .....	<u>893</u>	<u>532</u>	<u>-</u>	<u>1,425</u>
Income (Loss) before Transfers .....	64	(738)	470	(204)
Transfers in .....	-	845	-	845
Transfers out .....	<u>(2,567)</u>	<u>(1,711)</u>	<u>-</u>	<u>(4,278)</u>
Change in Net Position .....	(2,503)	(1,604)	470	(3,637)
Total Net Position (Deficit) - Beginning, as previously reported.....	2,704	4,556	1,066	8,326
Pension Error Correction.....	<u>(129)</u>	<u>(39)</u>	<u>-</u>	<u>(168)</u>
Net Position - Beginning, as restated.....	2,575	4,517	1,066	8,158
<b>Total Net Position (Deficit) - Ending .....</b>	<b><u>\$ 72</u></b>	<b><u>\$ 2,913</u></b>	<b><u>\$ 1,536</u></b>	<b><u>\$ 4,521</u></b>

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
FOR THE YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit G-3

	Transportation	Port of Milwaukee	Metropolitan Sewerage District User Charge	Total Nonmajor Proprietary Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers and users .....	\$ 34,993	\$ 8,538	\$ 59,744	\$ 103,275
Payments to suppliers .....	(24,087)	(5,130)	(66,369)	(95,586)
Payments to employees .....	(9,682)	(2,654)	(2)	(12,338)
Payments from(to) other funds .....	<u>4,262</u>	<u>1,482</u>	<u>6,627</u>	<u>12,371</u>
Net Cash Provided by Operating Activities .....	<u>5,486</u>	<u>2,236</u>	<u>-</u>	<u>7,722</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers from other funds .....	-	845	-	845
Transfers to other funds .....	<u>(2,567)</u>	<u>(1,711)</u>	<u>-</u>	<u>(4,278)</u>
Net Cash Used for Noncapital Financing Activities .....	<u>(2,567)</u>	<u>(866)</u>	<u>-</u>	<u>(3,433)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from sale of bonds and notes .....	1,093	133	-	1,226
Acquisition of property, plant and equipment .....	(1,716)	(774)	-	(2,490)
Retirement of bonds, notes and revenue bonds .....	(1,887)	(1,210)	-	(3,097)
Interest paid .....	<u>(592)</u>	<u>(256)</u>	<u>-</u>	<u>(848)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities .....	<u>(3,102)</u>	<u>(2,107)</u>	<u>-</u>	<u>(5,209)</u>
Net Decrease in Cash and Cash Equivalents .....	(183)	(737)	-	(920)
Cash and Cash Equivalents - Beginning .....	<u>246</u>	<u>1,373</u>	<u>-</u>	<u>1,619</u>
<b>Cash and Cash Equivalents - Ending .....</b>	<b><u>\$ 63</u></b>	<b><u>\$ 636</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 699</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>				
Operating income (loss) .....	\$ (829)	\$ (1,270)	\$ 470	\$ (1,629)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation .....	2,442	1,637	-	4,079
Nonoperating income .....	1,709	998	-	2,707
Effect of changes in operating assets, liabilities, deferred inflows and deferred outflows:				
Receivables .....	65	137	(2,569)	(2,367)
Due from other funds .....	4,255	-	176	4,431
Accounts payable .....	(1,037)	(707)	(4,702)	(6,446)
Accrued liabilities .....	(656)	(3)	(2)	(661)
Compensated absences .....	46	5	-	51
Total other postemployment benefits obligation .....	(175)	(25)	-	(200)
Net pension liability.....	2,514	733	-	3,247
Due to other funds .....	7	1,280	6,627	7,914
Deferred leases inflows.....	(226)	-	-	(226)
Deferred pension inflows .....	(1)	(1)	-	(2)
Deferred pension outflows .....	676	(476)	-	200
Deferred OPEB inflows .....	(1,490)	(189)	-	(1,679)
Deferred OPEB outflows .....	<u>(1,814)</u>	<u>117</u>	<u>-</u>	<u>(1,697)</u>
Net Cash Provided by Operating Activities .....	<u>\$ 5,486</u>	<u>\$ 2,236</u>	<u>\$ -</u>	<u>\$ 7,722</u>

See accompanying independent auditors' report.

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### **Custodial Funds**

These funds account for taxes and deposits collected by the City, acting in the capacity of a custodian, for distribution to other governmental units or designated beneficiaries.

CITY OF MILWAUKEE  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit H-1

	<b>Board of School Directors</b>	<b>Property Tax</b>	<b>Other Custodial Funds</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and investments.....	\$ -	\$ 98,049	\$ 1,289	\$ 99,338
Taxes receivable.....	<u>233,863</u>	<u>126,721</u>	<u>1,944</u>	<u>362,528</u>
 Total Assets .....	 <u>233,863</u>	 <u>224,770</u>	 <u>3,233</u>	 <u>461,866</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable .....	\$ -	\$ -	\$ 2,068	\$ 2,068
Due to other governmental agencies.....	<u>233,863</u>	<u>224,770</u>	<u>1,165</u>	<u>459,798</u>
 Total Liabilities .....	 <u>233,863</u>	 <u>224,770</u>	 <u>3,233</u>	 <u>461,866</u>
 Net Position restricted for other purposes.....	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
FISCAL YEAR ENDED DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit H-2

	<b>Board of School Directors</b>	<b>Property Tax</b>	<b>Other Custodial Funds</b>	<b>Total</b>
Additions				
Fees, Penalties & Taxes:				
Property Tax .....	<u>\$ 1,880,306</u>	<u>\$ 217,761</u>	<u>\$ 2,365</u>	<u>\$ 2,100,432</u>
Investment earnings:				
Net appreciation in fair value of investments, dividends and interest ....	<u>-</u>	<u>-</u>	<u>56</u>	<u>56</u>
Total Additions .....	<u>1,880,306</u>	<u>217,761</u>	<u>2,421</u>	<u>2,100,488</u>
Deductions				
Funds remitted to agencies .....	-	-	2,421	2,421
Taxes remitted to other governments .....	<u>1,880,306</u>	<u>217,761</u>	<u>-</u>	<u>2,098,067</u>
Total Deductions .....	<u>1,880,306</u>	<u>217,761</u>	<u>2,421</u>	<u>2,100,488</u>
Change in Net Position .....	-	-	-	-
Net Position - Beginning .....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position - Ending .....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.



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**MISCELLANEOUS  
FINANCIAL  
DATA**

CITY OF MILWAUKEE  
**COMBINED SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
 DECEMBER 31, 2024  
*(Thousands of Dollars)*

Exhibit I-1

	Real Estate	Personal Property	Total
<b>Year Levied</b>			
2012 .....	\$ 539	\$ -	\$ 539
2013 .....	655	-	655
2014 .....	828	-	828
2015 .....	903	-	903
2016 .....	1,038	-	1,038
2017 .....	1,113	-	1,113
2018 .....	1,429	231	1,660
2019 .....	1,639	241	1,880
2020 .....	1,793	129	1,922
2021 .....	2,632	145	2,777
2022 .....	7,091	197	7,288
2023 .....	<u>20,709</u>	<u>258</u>	<u>20,967</u>
Delinquent Taxes Receivable .....	<u>\$ 40,369</u>	<u>\$ 1,201</u>	41,570
Add: Property taxes receivable on foreclosed property (A) .....			<u>40,936</u>
Total Delinquent Taxes Receivable .....			82,506
Less: Estimated uncollectible taxes .....			<u>(33,252)</u>
<b>Net Delinquent Taxes Receivable .....</b>			<b><u>\$ 49,254</u></b>

(A) Property taxes receivable on foreclosed property is valued at the cost of delinquent taxes and assessments on acquired property.

See accompanying independent auditors' report.

CITY OF MILWAUKEE Exhibit I-2  
**COMBINED SCHEDULE OF CASH AND CASH EQUIVALENTS AND INVESTMENTS - PRIMARY GOVERNMENT**  
 DECEMBER 31, 2024  
*(Thousands of Dollars)*

Cash and Cash Equivalents:		
Cash .....	\$ 50,079	
Local Government Pooled - Investment Fund ....	556,845	
Institutional Money Market Fund .....	253,452	
Cash with Fiscal Agent .....	<u>52,184</u>	
 Total Cash and Cash Equivalents .....		\$ 912,560
Investments:		
Municipal Bonds.....	22,267	
Investment Portfolio .....	15,000	
Other .....	<u>270</u>	
 Total Investments .....		<u>37,537</u>
 Total Cash and Cash Equivalents and Investments .....		<u>\$ 950,097</u>

	<b>Cash and Investments Total</b>
Cash and Cash Equivalents and Investments - Fund:	
General .....	\$ 263,066
General Obligation Debt Service .....	95,644
Public Debt Amortization .....	58,676
Economic Development .....	186,064
Capital Projects .....	101,552
Grant and Aid Projects .....	63,389
Nonmajor Governmental Funds .....	12,475
Water Works .....	39,231
Sewer Maintenance .....	23,209
Nonmajor Proprietary Funds .....	699
Fiduciary Funds .....	<u>106,092</u>
 <b>Total Cash and Cash Equivalents and Investments - Fund .....</b>	 <b><u>\$ 950,097</u></b>

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**DEBT SERVICE REQUIREMENTS TO MATURITY -  
GENERAL OBLIGATION BONDS AND NOTES**  
DECEMBER 31, 2024  
(Thousands of Dollars)

Exhibit I-3

Year	Bridges		Finance Real and Personal Property Tax Receivables		Fire	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 6,925	\$ 2,397	\$ 12,782	\$ 4,035	\$ 2,573	\$ 915
2026	6,191	2,049	12,783	3,396	2,573	790
2027	5,942	1,765	12,784	2,728	2,301	678
2028	5,766	1,501	10,675	2,112	2,242	576
2029	5,195	1,256	10,677	1,579	2,229	478
2030	4,606	1,031	8,913	1,089	1,799	389
2031	4,028	830	6,687	698	1,578	312
2032	3,615	656	5,109	404	1,358	247
2033	3,506	505	3,607	186	1,233	193
2034	2,846	374	1,919	48	1,172	145
2035	2,405	260	-	-	1,017	101
2036	1,804	171	-	-	766	64
2037	1,144	104	-	-	420	38
2038	900	53	-	-	336	19
2039	435	20	-	-	195	6
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
<b>Totals</b>	<b>55,308</b>	<b>12,972</b>	<b>85,936</b>	<b>16,275</b>	<b>21,792</b>	<b>4,951</b>
<b>Total Requirements</b>	<b><u>\$68,280</u></b>		<b><u>\$102,211</u></b>		<b><u>\$26,743</u></b>	

See accompanying independent auditors' report.

Harbor		Library		Local Improvement Projects/ Special Assessments	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 649	\$ 190	\$ 3,035	\$ 898	\$ 597	\$ 12
614	164	2,889	759	-	-
578	139	2,514	641	-	-
515	117	2,467	542	-	-
496	98	2,405	441	-	-
394	79	2,339	343	-	-
379	63	1,970	253	-	-
324	48	1,314	184	-	-
276	35	1,223	130	-	-
222	25	849	88	-	-
167	17	754	55	-	-
109	10	382	31	-	-
97	5	250	17	-	-
48	2	168	6	-	-
9	-	34	1	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,877</u>	<u>992</u>	<u>22,593</u>	<u>4,389</u>	<u>597</u>	<u>12</u>
<u>\$5,869</u>		<u>\$26,982</u>		<u>\$609</u>	

CITY OF MILWAUKEE  
**DEBT SERVICE REQUIREMENTS TO MATURITY -**  
**GENERAL OBLIGATION BONDS AND NOTES**  
 DECEMBER 31, 2024  
 (Thousands of Dollars)

Exhibit I-3 (Continued)

Year	Municipal Expenses		Playgrounds/ Recreational Facilities		Police	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,145	\$ 5,979	\$ 477	\$ 126	\$ 6,884	\$ 2,549
2026	4,144	5,776	430	102	6,598	2,190
2027	6,697	5,582	340	86	6,297	1,868
2028	65,480	3,976	254	75	6,121	1,574
2029	2,931	2,391	254	64	5,869	1,300
2030	121,731	1,208	254	54	5,657	1,035
2031	1,706	56	254	45	5,248	785
2032	260	7	195	36	4,788	561
2033	-	-	186	29	3,953	372
2034	-	-	177	22	2,817	230
2035	-	-	116	15	1,532	138
2036	-	-	85	11	1,072	83
2037	-	-	66	8	665	44
2038	-	-	65	4	253	21
2039	-	-	35	2	197	10
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
<b>Totals</b>	<b>204,094</b>	<b>24,975</b>	<b>3,188</b>	<b>679</b>	<b>57,951</b>	<b>12,760</b>
<b>Total Requirements</b>	<b><u>\$229,069</u></b>		<b><u>\$3,867</u></b>		<b><u>\$70,711</u></b>	

See accompanying independent auditors' report.

Public Buildings		Schools		Sewer Maintenance	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 18,683	\$ 6,637	\$ 12,830	\$ 2,116	\$ 749	\$ 19
18,458	5,678	-	1,958	-	-
18,295	4,798	37,300	979	-	-
17,227	3,971	-	1	-	-
16,361	3,203	-	-	-	-
15,233	2,476	-	-	-	-
12,777	1,824	-	-	-	-
11,008	1,275	-	-	-	-
8,253	852	-	-	-	-
6,117	557	-	-	-	-
3,788	350	-	-	-	-
2,762	219	-	-	-	-
1,419	128	-	-	-	-
947	68	-	-	-	-
615	30	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
151,943	32,066	50,130	5,054	749	19
<u>\$184,009</u>		<u>\$55,184</u>		<u>\$768</u>	



CITY OF MILWAUKEE  
**DEBT SERVICE REQUIREMENTS TO MATURITY -**  
**GENERAL OBLIGATION BONDS AND NOTES**  
 DECEMBER 31, 2024  
 (Thousands of Dollars)

Exhibit I-3 (Continued)

Year	Streets		Tax Incremental Districts		Transportation	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 34,123	\$ 13,635	\$ 14,307	\$ 5,037	\$ 1,865	\$ 564
2026	33,057	11,906	15,417	4,429	1,702	489
2027	33,690	10,321	16,075	3,817	1,584	424
2028	27,895	8,912	15,011	3,231	1,490	365
2029	26,618	7,696	12,457	2,741	1,409	310
2030	24,369	6,537	11,093	2,335	1,302	259
2031	22,688	5,465	10,533	1,962	1,227	212
2032	19,543	4,523	9,706	1,600	1,150	167
2033	20,302	3,655	8,504	1,269	1,134	124
2034	17,405	2,833	4,785	1,021	1,039	85
2035	15,757	2,076	4,005	844	939	52
2036	13,283	1,404	3,990	685	664	27
2037	11,276	810	3,918	530	130	14
2038	7,036	354	3,618	384	131	7
2039	2,931	103	3,010	262	68	2
2040	-	-	2,745	164	-	-
2041	-	-	2,320	80	-	-
2042	-	-	995	21	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
<b>Totals</b>	<b>309,973</b>	<b>80,230</b>	<b>142,489</b>	<b>30,412</b>	<b>15,834</b>	<b>3,101</b>
<b>Total Requirements</b>	<b><u>\$390,203</u></b>		<b><u>\$172,901</u></b>		<b><u>\$18,935</u></b>	

See accompanying independent auditors' report.

Urban Renewal		Total Requirements	
Principal	Interest	Principal	Interest
\$ 5,301	\$ 890	\$ 122,925	\$ 45,999
3,449	731	108,305	40,417
2,303	622	146,700	34,448
2,232	536	157,375	27,489
2,179	454	89,080	22,011
2,115	371	199,805	17,206
2,080	286	71,155	12,791
2,075	206	60,445	9,914
1,443	142	53,620	7,492
1,067	96	40,415	5,524
630	63	31,110	3,971
373	42	25,290	2,747
340	24	19,725	1,722
248	10	13,750	928
66	2	7,595	438
-	-	2,745	164
-	-	2,320	80
-	-	995	21
-	-	-	-
-	-	-	-
-	-	-	-
<u>25,901</u>	<u>4,475</u>	<u>1,153,355</u>	<u>233,362</u>

**\$30,376****\$1,386,717**

CITY OF MILWAUKEE  
**DEBT SERVICE REQUIREMENTS TO MATURITY - WATER REVENUE**  
**AND DISCLOSURE OF BOND COVERAGE**  
*(Thousands of Dollars)*

Exhibit I-4

Year	Revenue Bonds		State Loans (Revenue Bonds)		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 475	\$ 246	\$ 5,681	\$ 1,541	\$ 6,156	\$ 1,787
2026	480	222	5,777	1,444	6,257	1,666
2027	490	203	5,876	1,345	6,366	1,548
2028	500	187	5,976	1,244	6,476	1,431
2029	510	168	6,078	1,141	6,588	1,309
2030	520	148	6,182	1,036	6,702	1,184
2031	535	127	6,287	930	6,822	1,057
2032	550	105	6,395	821	6,945	926
2033	565	83	6,504	711	7,069	794
2034	580	60	6,235	602	6,815	662
2035	595	36	5,829	500	6,424	536
2036	610	12	5,927	402	6,537	414
2037	-	-	5,127	308	5,127	308
2038	-	-	4,856	223	4,856	223
2039	-	-	4,238	146	4,238	146
2040	-	-	3,524	83	3,524	83
2041	-	-	2,224	38	2,224	38
2042	-	-	639	16	639	16
2043	-	-	649	6	649	6
2044	-	-	191	-	191	-
	<u>\$ 6,410</u>	<u>\$ 1,597</u>	<u>\$ 94,195</u>	<u>\$ 12,537</u>	<u>\$ 100,605</u>	<u>\$ 14,134</u>

*Note: Water Revenue bond coverage on Series SDWL - 1, 2, 3, 4 and 5 for 2024 consisted of gross revenues plus interest income in the amount of \$115,516, less operating expenses (excluding depreciation) of \$75,103. As a result, the net revenue available for debt service was \$40,413. Debt service requirements consists of \$7,943 for 2025. At the end of the year, bond coverage computes to 5.09.*

*See accompanying independent auditors' report.*

CITY OF MILWAUKEE  
**DEBT SERVICE REQUIREMENTS TO MATURITY - SEWERAGE SYSTEM REVENUE  
AND DISCLOSURE OF BOND COVERAGE**  
*(Thousands of Dollars)*

Exhibit I-5

Year	Revenue Bonds		State Loans (Revenue Bonds)		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 5,960	\$ 5,370	\$ 13,407	\$ 2,889	\$ 19,367	\$ 8,259
2026	8,035	5,029	13,695	2,598	21,730	7,627
2027	10,230	4,613	13,990	2,301	24,220	6,914
2028	10,730	4,155	13,367	2,008	24,097	6,163
2029	11,255	3,675	11,366	1,747	22,621	5,422
2030	11,775	3,196	10,489	1,523	22,264	4,719
2031	12,295	2,722	9,296	1,327	21,591	4,049
2032	10,660	2,279	9,479	1,141	20,139	3,420
2033	11,110	1,871	9,666	952	20,776	2,823
2034	7,410	1,535	8,318	779	15,728	2,314
2035	7,665	1,277	8,472	623	16,137	1,900
2036	7,935	1,009	7,351	479	15,286	1,488
2037	1,820	828	6,254	358	8,074	1,186
2038	1,915	734	5,100	258	7,015	992
2039	2,010	636	4,276	177	6,286	813
2040	2,115	533	3,405	111	5,520	644
2041	2,225	424	2,150	61	4,375	485
2042	2,315	334	1,327	26	3,642	360
2043	2,385	264	560	6	2,945	270
2044	2,455	191	5	-	2,460	191
2045	2,530	116	-	-	2,530	116
2046	2,610	39	-	-	2,610	39
2047	-	-	-	-	-	-
2048	-	-	-	-	-	-
	<b><u>\$ 137,440</u></b>	<b><u>\$ 40,830</u></b>	<b><u>\$ 151,973</u></b>	<b><u>\$19,364</u></b>	<b><u>\$ 289,413</u></b>	<b><u>\$60,194</u></b>

*Note: Sewerage System Revenue Bonds coverage consisted of gross operating revenues plus interest income in the amount of \$77,557 less operating expenses \$18,594 (excluding depreciation) of \$10,257. As a result, the net revenue available for debt service was \$58,963. Debt service requirements consisted of \$27,626 for 2025. At the end of the year, bond coverage computes to 2.13.*

*See accompanying independent auditors' report.*

CITY OF MILWAUKEE  
**SCHEDULE OF ACCOUNT BALANCES**  
**CAPITAL PROJECTS BY PURPOSE**  
 DECEMBER 31, 2024  
 (Thousands of Dollars)

Exhibit I-6

	Bridges	Special Projects	Fire Department	Library	Playgrounds & Recreation
<b>ASSETS</b>					
Assets:					
Cash and cash equivalents .....	\$ 16,247	\$ 830	\$ 5,338	\$ 3,614	\$ 1,344
Receivables (net):					
Taxes .....	-	65	-	-	-
Accounts .....	-	7	-	-	-
Special Assessments .....	-	-	-	-	-
Due from component units .....	-	-	-	-	-
Due from other governmental agencies .....	271	-	-	-	-
Prepaid items .....	-	-	-	-	-
<b>Total Assets</b> .....	<b>\$ 16,518</b>	<b>\$ 902</b>	<b>\$ 5,338</b>	<b>\$ 3,614</b>	<b>\$ 1,344</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable .....	\$ 1,507	\$ -	\$ 729	\$ 1,150	\$ 600
Accrued expenses .....	77	-	-	3	4
Unearned revenue.....	-	-	-	-	-
Advances from other funds .....	-	-	-	-	-
<b>Total Liabilities</b> .....	<b>1,584</b>	<b>-</b>	<b>729</b>	<b>1,153</b>	<b>604</b>
Deferred Inflows of Resources:					
Unavailable revenue .....	211	115	-	-	-
Fund Balances:					
Nonspendable .....	-	-	-	-	-
Committed .....	14,723	787	4,609	2,461	740
Unassigned (deficit) .....	-	-	-	-	-
<b>Total Fund Balances</b> .....	<b>14,723</b>	<b>787</b>	<b>4,609</b>	<b>2,461</b>	<b>740</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b> .....	<b>\$ 16,518</b>	<b>\$ 902</b>	<b>\$ 5,338</b>	<b>\$ 3,614</b>	<b>\$ 1,344</b>

See accompanying independent auditors' report.

Police Department	Public Buildings	Urban Renewal	Streets	Tax Incremental Districts	Special Assessments	Total
\$ -	\$ 28,027	\$ 11,152	\$ 17,544	\$ 17,456	\$ -	\$ 101,552
140	141	310	1,409	11,437	1,001	14,503
-	-	-	41	-	-	48
-	-	-	-	-	7,219	7,219
-	-	132	-	-	-	132
-	-	-	6,732	-	-	7,003
-	-	-	73	188	-	261
<b>\$ 140</b>	<b>\$ 28,168</b>	<b>\$ 11,594</b>	<b>\$ 25,799</b>	<b>\$ 29,081</b>	<b>\$ 8,220</b>	<b>\$ 130,718</b>
\$ 207	\$ 2,255	\$ 1,011	\$ 13,496	\$ 7,348	\$ 826	\$ 29,129
	43	22	477	23	-	649
-	-	-	137	-	-	137
6,378	-	-	-	-	3,865	10,243
<u>6,585</u>	<u>2,298</u>	<u>1,033</u>	<u>14,110</u>	<u>7,371</u>	<u>4,691</u>	<u>40,158</u>
<u>250</u>	<u>250</u>	<u>550</u>	<u>7,414</u>	<u>20,287</u>	<u>2,461</u>	<u>31,538</u>
-	-	-	73	188	-	261
-	25,620	10,011	4,202	1,235	1,068	65,456
(6,695)	-	-	-	-	-	(6,695)
(6,695)	25,620	10,011	4,275	1,423	1,068	59,022
<b>\$ 140</b>	<b>\$ 28,168</b>	<b>\$ 11,594</b>	<b>\$ 25,799</b>	<b>\$ 29,081</b>	<b>\$ 8,220</b>	<b>\$ 130,718</b>

CITY OF MILWAUKEE  
**SCHEDULE OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**CAPITAL PROJECTS BY PURPOSE**  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (Thousands of Dollars)

Exhibit I-7

	<b>Bridges</b>	<b>Special Projects</b>	<b>Fire Department</b>	<b>Library</b>	<b>Playgrounds &amp; Recreation</b>
Revenues:					
Property taxes .....	\$ -	\$ 115	\$ 5,260	\$ 3,150	\$ 600
Other taxes .....	-	-	-	-	-
Special Assessments .....	-	-	-	-	-
Intergovernmental .....	321	-	-	-	-
Other .....	<u>1,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,865</u>
 Total Revenues .....	 <u>2,041</u>	 <u>115</u>	 <u>5,260</u>	 <u>3,150</u>	 <u>4,465</u>
Expenditures:					
Capital outlay .....	<u>5,038</u>	<u>109</u>	<u>3,343</u>	<u>2,452</u>	<u>4,933</u>
 Excess (deficiency) of Revenues over Expenditures .....	 <u>(2,997)</u>	 <u>6</u>	 <u>1,917</u>	 <u>698</u>	 <u>(468)</u>
Other Financing Sources (Uses):					
General obligation bonds and notes issued .....	8,200	-	3,105	605	700
Transfers in .....	-	-	-	-	-
Transfers out .....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Other Financing Sources and Uses .....	 <u>8,200</u>	 <u>-</u>	 <u>3,105</u>	 <u>605</u>	 <u>700</u>
 Net Change in Fund Balance .....	 5,203	 6	 5,022	 1,303	 232
Fund Balance (Deficit) - Beginning .....	<u>9,520</u>	<u>781</u>	<u>(413)</u>	<u>1,158</u>	<u>508</u>
 <b>Fund Balance (Deficit) - Ending .....</b>	 <b><u>\$ 14,723</u></b>	 <b><u>\$ 787</u></b>	 <b><u>\$ 4,609</u></b>	 <b><u>\$ 2,461</u></b>	 <b><u>\$ 740</u></b>

See accompanying independent auditors' report.

<b>Police Department</b>	<b>Public Buildings</b>	<b>Urban Renewal</b>	<b>Streets</b>	<b>Tax Incremental Districts</b>	<b>Special Assessments</b>	<b>Total to A-3</b>
\$ 9,900	\$ 7,440	\$ 8,164	\$ 4,250	\$ 15,610	\$ -	\$ 54,489
-	-	-	-	147	-	147
-	-	-	-	-	1,903	1,903
-	-	-	13,347	886	-	14,554
-	2,948	493	1,820	1,711	-	12,557
<u>9,900</u>	<u>10,388</u>	<u>8,657</u>	<u>19,417</u>	<u>18,354</u>	<u>1,903</u>	<u>83,650</u>
<u>21,680</u>	<u>24,710</u>	<u>8,171</u>	<u>70,798</u>	<u>41,613</u>	<u>1,640</u>	<u>184,487</u>
<u>(11,780)</u>	<u>(14,322)</u>	<u>486</u>	<u>(51,381)</u>	<u>(23,259)</u>	<u>263</u>	<u>(100,837)</u>
9,419	21,801	1,070	39,443	3,225	-	87,568
-	-	-	-	17,559	-	17,559
-	-	-	-	(2,819)	-	(2,819)
<u>9,419</u>	<u>21,801</u>	<u>1,070</u>	<u>39,443</u>	<u>17,965</u>	<u>-</u>	<u>102,308</u>
(2,361)	7,479	1,556	(11,938)	(5,294)	263	1,471
<u>(4,334)</u>	<u>18,141</u>	<u>8,455</u>	<u>16,213</u>	<u>6,717</u>	<u>805</u>	<u>57,551</u>
<u>\$ (6,695)</u>	<u>\$ 25,620</u>	<u>\$ 10,011</u>	<u>\$ 4,275</u>	<u>\$ 1,423</u>	<u>\$ 1,068</u>	<u>\$ 59,022</u>



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CITY OF MILWAUKEE  
GENERAL FUND  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Thousands of Dollars)

Exhibit I-8

	Final Budget	Actual	Variance - Favorable (Unfavorable)
Property Taxes:			
General .....	\$ 101,731	\$ 101,731	\$ -
Provision for Employees' Retirement .....	70,409	70,409	-
Total Property Taxes .....	<u>172,140</u>	<u>172,140</u>	<u>-</u>
Sales Taxes:			
General .....	184,000	200,621	16,621
Total Sales Taxes .....	<u>184,000</u>	<u>200,621</u>	<u>16,621</u>
Other Taxes:			
Payment in lieu of taxes .....	1,370	388	(982)
Interest on city tax certificates and other taxes .....	2,179	2,607	428
Total Other Taxes .....	<u>3,549</u>	<u>2,995</u>	<u>(554)</u>
Licenses and Permits:			
Licenses:			
Business and occupational .....	5,314	5,601	287
Other .....	89	93	4
Permits:			
Building .....	11,445	13,144	1,699
Zoning .....	275	310	35
Other .....	734	1,058	324
Total Licenses and Permits .....	<u>17,857</u>	<u>20,206</u>	<u>2,349</u>
Intergovernmental:			
State Shares Revenues:			
State shared taxes .....	252,853	252,997	144
Local street aids .....	29,830	30,197	367
Payment for municipal services .....	2,400	4,688	2,288
Other .....	10,296	7,710	(2,586)
Total Intergovernmental .....	<u>295,379</u>	<u>295,592</u>	<u>213</u>
Charges for Services:			
General government .....	7,394	7,304	(90)
Public safety .....	25,286	28,885	3,599
Public works .....	105,957	106,944	987
Health .....	644	935	291
Culture and recreation .....	1,000	809	(191)
Conservation and development .....	108	110	2
Total Charges for Services .....	<u>140,389</u>	<u>144,987</u>	<u>4,598</u>
Fines and Forfeits:			
Court and contract forfeitures .....	3,001	1,933	(1,068)
Other .....	-	11	11
Total Fines and Forfeits .....	<u>3,001</u>	<u>1,944</u>	<u>(1,057)</u>
Other:			
Interest on temporary investments .....	6,747	12,863	6,116
Miscellaneous .....	18,375	9,179	(9,196)
Total Other .....	<u>25,122</u>	<u>22,042</u>	<u>(3,080)</u>
<b>Total .....</b>	<b><u>\$ 841,437</u></b>	<b><u>\$ 860,527</u></b>	<b><u>\$ 19,090</u></b>

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Thousands of Dollars)

Exhibit I-9

	Salaries and Wages				Operating Costs			
	Original Budget	Final Budget	Actual 2024	Variance - Favorable (Unfavorable)	Original Budget	Final Budget	Actual 2024	Variance - Favorable (Unfavorable)
General Government:								
Administration .....	\$ 3,444	\$ 3,484	\$ 3,106	378	\$ 12,675	\$ 10,495	\$ 9,067	\$ 1,428
Assessor's Office .....	1,232	1,245	1,097	148	357	338	338	-
City Attorney .....	2,033	2,247	2,226	21	7,612	8,919	8,839	80
City Treasurer .....	696	1,011	1,011	-	208,324	176,092	146,769	29,323
Common Council - City Clerk .....	2,286	3,007	3,007	-	3,072	1,552	1,506	46
Comptroller .....	19,909	3,499	1,719	1,780	22,575	22,067	20,924	1,143
Election Commission .....	3,153	3,121	3,121	-	1,125	1,976	1,976	-
Employee Relations .....	1,189	1,316	1,316	-	138,931	112,481	99,045	13,436
Employee's Retirement .....	-	-	-	-	4,239	3,550	3,225	325
Mayor .....	403	487	487	-	90	65	64	1
Municipal Court .....	626	1,019	1,019	-	1,139	1,148	1,145	3
Zoning Appeals .....	190	160	76	84	48	23	23	-
Total General Government .....	35,161	20,596	18,185	2,411	400,187	338,706	292,921	45,785
Public Safety:								
Emergency Communication .....	6,204	6,163	2,544	3,619	1,530	882	834	48
Fire and Police Commission .....	726	815	815	-	2,236	1,486	1,451	35
Fire Department .....	83,160	82,858	82,858	-	16,581	16,055	16,046	9
Neighborhood Services .....	4,729	5,208	5,208	-	3,820	4,218	4,171	47
Police Department .....	190,708	175,080	175,020	60	20,113	20,080	19,855	225
Total Public Safety .....	285,527	270,124	266,445	3,679	44,280	42,721	42,357	364
Public Works:								
General Office .....	-	-	-	-	378	327	326	1
Infrastructure .....	16,322	15,227	15,227	-	15,676	16,875	16,297	578
Operations .....	43,328	45,793	45,793	-	39,551	37,380	37,215	165
Total Public Works .....	59,650	61,020	61,020	-	55,605	54,582	53,838	744
Health .....	9,815	10,465	10,465	-	5,484	2,983	2,969	14
Culture and Recreation:								
Public Library .....	5,973	7,571	7,571	-	3,833	4,003	3,995	8
Conservation and Development:								
Department of City Development ...	1,178	1,843	1,843	-	2,121	1,694	1,565	129
Capital outlay .....	-	-	-	-	-	-	-	-
<b>Total .....</b>	<b>\$ 397,304</b>	<b>\$ 371,619</b>	<b>\$ 365,529</b>	<b>\$ 6,090</b>	<b>\$ 511,510</b>	<b>\$ 444,689</b>	<b>\$ 397,645</b>	<b>\$ 47,044</b>

See accompanying independent auditors' report.

Equipment				Total to E-1			
Original Budget	Final Budget	Actual 2024	Variance - Favorable (Unfavorable)	Original Budget	Final Budget	Actual 2024	Variance - Favorable (Unfavorable)
\$ 250	\$ 250	\$ 235	\$ 15	\$ 16,369	\$ 14,229	\$ 12,408	\$ 1,821
-	-	-	-	1,589	1,583	1,435	148
53	19	19	-	9,698	11,185	11,084	101
18	7	7	-	209,038	177,110	147,787	29,323
65	35	35	-	5,423	4,594	4,548	46
50	50	50	-	42,534	25,616	22,693	2,923
-	-	-	-	4,278	5,097	5,097	-
2	2	-	2	140,122	113,799	100,361	13,438
-	-	-	-	4,239	3,550	3,225	325
-	-	-	-	493	552	551	1
6	6	6	-	1,771	2,173	2,170	3
-	-	-	-	238	183	99	84
<u>444</u>	<u>369</u>	<u>352</u>	<u>17</u>	<u>435,792</u>	<u>359,671</u>	<u>311,458</u>	<u>48,213</u>
-	-	-	-	7,734	7,045	3,378	3,667
2	2	-	2	2,964	2,303	2,266	37
2,558	1,696	1,391	305	102,299	100,609	100,295	314
-	-	-	-	8,549	9,426	9,379	47
<u>4,984</u>	<u>2,204</u>	<u>2,069</u>	<u>135</u>	<u>215,805</u>	<u>197,364</u>	<u>196,944</u>	<u>420</u>
<u>7,544</u>	<u>3,902</u>	<u>3,460</u>	<u>442</u>	<u>337,351</u>	<u>316,747</u>	<u>312,262</u>	<u>4,485</u>
-	-	-	-	378	327	326	1
973	789	789	-	32,971	32,891	32,313	578
<u>4,912</u>	<u>4,325</u>	<u>4,199</u>	<u>126</u>	<u>87,791</u>	<u>87,498</u>	<u>87,207</u>	<u>291</u>
<u>5,885</u>	<u>5,114</u>	<u>4,988</u>	<u>126</u>	<u>121,140</u>	<u>120,716</u>	<u>119,846</u>	<u>870</u>
<u>25</u>	<u>3</u>	<u>3</u>	<u>-</u>	<u>15,324</u>	<u>13,451</u>	<u>13,437</u>	<u>14</u>
<u>2,436</u>	<u>2,158</u>	<u>2,158</u>	<u>-</u>	<u>12,242</u>	<u>13,732</u>	<u>13,724</u>	<u>8</u>
-	-	-	-	3,299	3,537	3,408	129
-	-	-	-	-	-	3,976	(3,976)
<u>\$ 16,334</u>	<u>\$ 11,546</u>	<u>\$ 10,961</u>	<u>\$ 585</u>	<u>\$ 925,148</u>	<u>\$ 827,854</u>	<u>\$ 778,111</u>	<u>\$ 49,743</u>

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### **Statistical Section (Unaudited)**

The Statistical Section presents data to assist users of this report to assess the economic condition of the City. The tables presented in this section are intended to provide a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements and supporting schedules presented in other sections of this report. The five categories of information are as follows:

#### **Financial Trends**

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

#### **Revenue Capacity**

These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.



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CITY OF MILWAUKEE  
**NET POSITION BY COMPONENT**  
 LAST TEN YEARS  
*(Accrual Basis of Accounting)*  
*(Thousands of Dollars)*

Table 1

	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental activities					
Net investment in capital assets.....	\$ 769,340	\$ 816,916	\$ 836,422	\$ 812,090	\$ 841,714
Restricted .....	209,116	176,923	161,592	202,334	196,639
Unrestricted (deficit) .....	<u>(739,204)</u>	<u>(856,449)</u>	<u>(1,076,694)</u>	<u>(1,884,385)</u>	<u>(2,231,744)</u>
Total governmental activities net position .....	<u>239,252</u>	<u>137,390</u>	<u>(78,680)</u>	<u>(869,961)</u>	<u>(1,193,391)</u>
Business-type activities					
Net investment in capital assets.....	675,510	684,085	734,161	801,685	820,749
Restricted .....	1,174	1,229	2,209	10,461	9,773
Unrestricted (deficit) .....	<u>68,134</u>	<u>74,720</u>	<u>59,824</u>	<u>(34,102)</u>	<u>(29,585)</u>
Total business-type activities net position .....	<u>744,818</u>	<u>760,034</u>	<u>796,194</u>	<u>778,044</u>	<u>800,937</u>
Primary government					
Net investment in capital assets.....	1,444,850	1,501,001	1,570,583	1,613,775	1,662,463
Restricted .....	210,290	178,152	163,801	212,795	206,412
Unrestricted (deficit) .....	<u>(671,070)</u>	<u>(781,729)</u>	<u>(1,016,870)</u>	<u>(1,918,487)</u>	<u>(2,261,329)</u>
Total primary government net position .....	<u>\$ 984,070</u>	<u>\$ 897,424</u>	<u>\$ 717,514</u>	<u>\$ (91,917)</u>	<u>\$ (392,454)</u>

	Fiscal Year				
	2020	2021	2022	2023 *	2024
Governmental activities					
Net investment in capital assets.....	\$ 877,376	\$ 939,647	\$ 963,538	\$ 948,355	\$ 963,782
Restricted .....	206,060	209,636	210,671	223,886	300,662
Unrestricted (deficit) .....	<u>(2,572,912)</u>	<u>(2,941,394)</u>	<u>(2,867,494)</u>	<u>(2,886,801)</u>	<u>(2,756,333)</u>
Total governmental activities net position .....	<u>(1,489,476)</u>	<u>(1,792,111)</u>	<u>(1,693,285)</u>	<u>(1,714,560)</u>	<u>(1,491,889)</u>
Business-type activities					
Net investment in capital assets.....	839,337	824,814	837,114	892,838	949,599
Restricted .....	23,136	20,657	22,025	22,150	22,762
Unrestricted (deficit) .....	<u>(61,455)</u>	<u>(28,414)</u>	<u>(21,500)</u>	<u>(57,271)</u>	<u>(96,500)</u>
Total business-type activities net position .....	<u>801,018</u>	<u>817,057</u>	<u>837,639</u>	<u>857,717</u>	<u>875,861</u>
Primary government					
Net investment in capital assets.....	1,716,713	1,764,461	1,800,652	1,841,193	1,913,381
Restricted .....	229,196	230,293	232,696	246,036	323,424
Unrestricted (deficit) .....	<u>(2,634,367)</u>	<u>(2,969,808)</u>	<u>(2,888,994)</u>	<u>(2,994,072)</u>	<u>(2,852,833)</u>
Total primary government net position .....	<u>\$ (688,458)</u>	<u>\$ (975,054)</u>	<u>\$ (855,646)</u>	<u>\$ (856,843)</u>	<u>\$ (616,028)</u>

\* - as restated, see footnote 15. CMERS only restated 2023 and The City has no data to reasonably restate years prior to 2023.

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**CHANGES IN NET POSITION**  
 LAST TEN YEARS  
*(Accrual Basis of Accounting)*  
*(Thousands of Dollars)*

Table 2

	Fiscal Year			
	2015	2016	2017	2018
<b>Expenses</b>				
Governmental Activities				
General government .....	\$ 204,691	\$ 255,177	\$ 274,652	\$ 309,828
Public safety .....	399,620	423,903	485,016	437,746
Public works .....	182,340	174,470	206,205	192,613
Health .....	20,249	21,594	23,655	21,789
Culture and recreation .....	25,315	24,375	28,193	26,866
Conservation and development .....	88,252	77,670	65,175	47,904
Interest on long-term debt .....	24,749	25,109	22,097	21,451
Total Governmental Activities Expenses.....	<u>945,216</u>	<u>1,002,298</u>	<u>1,104,993</u>	<u>1,058,197</u>
Business-type Activities				
Water .....	72,141	73,620	70,219	78,310
Sewer Maintenance .....	49,661	53,002	59,823	58,550
Transportation .....	25,233	25,005	25,287	25,031
Other activities .....	50,855	52,577	54,423	58,612
Total Business-type Activities .....	<u>197,890</u>	<u>204,204</u>	<u>209,752</u>	<u>220,503</u>
Total Primary Government Expenses .....	<u>1,143,106</u>	<u>1,206,502</u>	<u>1,314,745</u>	<u>1,278,700</u>
<b>Program Revenues</b>				
Governmental Activities				
Charges for services				
General government .....	31,100	27,733	27,180	27,538
Public safety .....	26,711	25,438	23,382	19,862
Public works .....	81,325	80,352	83,344	87,817
Health .....	1,081	1,164	1,267	1,332
Culture and recreation .....	1,092	1,057	1,024	1,023
Conservation and development .....	9	10	19	8
Total Governmental Activities				
Program Revenues.....	<u>141,318</u>	<u>135,754</u>	<u>136,216</u>	<u>137,580</u>
Business-type Activities				
Charges for services				
Water .....	96,687	97,850	97,833	100,661
Sewer Maintenance .....	60,695	62,954	65,141	66,585
Transportation .....	42,532	38,286	37,557	39,045
Other activities .....	51,129	53,541	55,958	57,518
Total Business-type Activities				
Program Revenues.....	<u>251,043</u>	<u>252,631</u>	<u>256,489</u>	<u>263,809</u>
Total Primary Government				
Program Revenues .....	<u>392,361</u>	<u>388,385</u>	<u>392,705</u>	<u>401,389</u>

See accompanying independent auditors' report.

Table 2 (continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 363,272	\$ 249,456	\$ 290,849	\$ 195,073	\$ 218,436	\$ 226,806
557,403	710,794	624,406	469,399	527,757	579,773
206,475	233,775	234,986	201,732	215,450	276,030
24,313	38,265	50,530	33,242	41,758	44,672
30,023	31,054	35,827	30,531	41,021	41,848
47,529	67,345	78,832	51,738	72,597	96,174
23,710	25,542	25,627	28,235	33,300	33,043
<u>1,252,725</u>	<u>1,356,231</u>	<u>1,341,057</u>	<u>1,009,950</u>	<u>1,150,319</u>	<u>1,298,346</u>
74,954	84,198	85,287	81,481	80,604	97,399
55,747	56,563	61,147	58,645	60,059	65,175
27,931	28,772	28,375	28,626	28,635	34,643
58,025	58,866	64,559	68,026	85,399	70,717
<u>216,657</u>	<u>228,399</u>	<u>239,368</u>	<u>236,778</u>	<u>254,697</u>	<u>267,934</u>
<u>1,469,382</u>	<u>1,584,630</u>	<u>1,580,425</u>	<u>1,246,728</u>	<u>1,405,016</u>	<u>1,566,280</u>
37,984	35,394	35,517	36,284	31,613	33,178
21,898	19,136	26,043	28,920	27,978	28,885
91,842	89,993	104,418	110,667	109,032	106,944
1,992	1,370	1,054	753	865	935
989	850	835	909	949	809
9,853	10,453	108	109	110	110
<u>164,558</u>	<u>157,196</u>	<u>167,975</u>	<u>177,642</u>	<u>170,547</u>	<u>170,861</u>
99,015	98,587	99,730	98,968	110,144	114,721
68,058	68,720	70,970	72,920	74,465	76,696
37,793	22,646	32,838	32,329	34,043	33,219
57,100	61,075	63,939	63,764	66,255	69,540
<u>261,966</u>	<u>251,028</u>	<u>267,477</u>	<u>267,981</u>	<u>284,907</u>	<u>294,176</u>
<u>426,524</u>	<u>408,224</u>	<u>435,452</u>	<u>445,623</u>	<u>455,454</u>	<u>465,037</u>

CITY OF MILWAUKEE  
**CHANGES IN NET POSITION**  
 LAST TEN YEARS  
*(Accrual Basis of Accounting)*  
*(Thousands of Dollars)*

Table 2 (continued)

	Fiscal Year			
	2015	2016	2017	2018
<b>Grants and Contributions</b>				
Governmental Activities				
General government .....	\$ 2,289	\$ 2,006	\$ 2,026	\$ 23,159
Public safety .....	14,200	14,022	12,314	13,132
Public works .....	25,600	45,902	3,082	3,617
Health .....	8,597	9,481	9,937	9,831
Culture and recreation .....	3,767	3,832	3,243	3,358
Conservation and development .....	15,669	14,214	13,966	13,017
Total Governmental Activities				
Grants and Contributions.....	<u>70,122</u>	<u>89,457</u>	<u>44,568</u>	<u>66,114</u>
Business-type Activities				
Water .....	1,276	2,798	22,528	1,551
Sewer Maintenance .....	-	585	3,358	1,261
Transportation .....	-	-	180	37,762
Other activities .....	<u>1,464</u>	<u>1,582</u>	<u>-</u>	<u>1,214</u>
Total Business-type Activities				
Grants and Contributions.....	<u>2,740</u>	<u>4,965</u>	<u>26,066</u>	<u>41,788</u>
Total Primary Government				
Grants and Contributions.....	<u>\$ 72,862</u>	<u>\$ 94,422</u>	<u>\$ 70,634</u>	<u>\$ 107,902</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities .....	(733,776)	(777,087)	(924,209)	(854,503)
Business-type Activities .....	<u>55,893</u>	<u>53,392</u>	<u>72,803</u>	<u>85,094</u>
Total primary government net expense .....	<u>\$ (677,883)</u>	<u>\$ (723,695)</u>	<u>\$ (851,406)</u>	<u>\$ (769,409)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Property, sales and other taxes .....	\$ 287,602	\$ 286,513	\$ 307,828	\$ 316,655
State shared revenue and aid not restricted .....	263,350	265,191	265,700	268,792
Miscellaneous .....	89,487	83,919	97,757	115,735
Transfers .....	<u>43,038</u>	<u>39,602</u>	<u>36,854</u>	<u>37,801</u>
Total Governmental Activities .....	<u>683,477</u>	<u>675,225</u>	<u>708,139</u>	<u>738,983</u>
Business-type Activities				
Miscellaneous .....	1,709	1,426	211	1,638
Transfers .....	<u>(43,038)</u>	<u>(39,602)</u>	<u>(36,854)</u>	<u>(37,801)</u>
Total Business-type Activities .....	<u>(41,329)</u>	<u>(38,176)</u>	<u>(36,643)</u>	<u>(36,163)</u>
Total Primary Government .....	<u>642,148</u>	<u>637,049</u>	<u>671,496</u>	<u>702,820</u>
<b>Change in Net Position</b>				
Governmental Activities .....	(50,299)	(101,862)	(216,070)	(115,520)
Business-type Activities .....	<u>14,564</u>	<u>15,216</u>	<u>36,160</u>	<u>48,931</u>
Total Primary Government .....	<u>\$ (35,735)</u>	<u>\$ (86,646)</u>	<u>\$ (179,910)</u>	<u>\$ (66,589)</u>

See accompanying independent auditors' report.

Table 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 2,158	\$ 2,068	\$ 18,695	\$ 19,582	\$ 21,138	\$ 59,858
13,552	95,374	51,206	115,318	136,819	122,103
4,276	14,546	4,863	16,379	8,599	39,742
9,260	23,599	31,641	24,458	23,107	25,418
5,081	3,881	4,146	5,868	12,076	21,714
11,679	30,288	13,995	27,614	33,650	60,256
<u>46,006</u>	<u>169,756</u>	<u>124,546</u>	<u>209,219</u>	<u>235,389</u>	<u>329,091</u>
4,007	5,425	49	74	1,759	652
1,992	920	6,285	3,995	4,395	4,436
2,041	2,150	4,525	2,965	2,399	595
<u>867</u>	<u>1,227</u>	<u>7,927</u>	<u>7,638</u>	<u>3,299</u>	<u>909</u>
<u>8,907</u>	<u>9,722</u>	<u>18,786</u>	<u>14,672</u>	<u>11,852</u>	<u>6,592</u>
<u>\$ 54,913</u>	<u>\$ 179,478</u>	<u>\$ 143,332</u>	<u>\$ 223,891</u>	<u>\$ 247,241</u>	<u>\$ 335,683</u>
(1,042,161)	(1,029,279)	(832,308)	(986,772)	(979,772)	(1,127,485)
54,216	32,351	31,203	30,210	30,210	26,242
<u>\$ (987,945)</u>	<u>\$ (996,928)</u>	<u>\$ (801,105)</u>	<u>\$ (956,562)</u>	<u>\$ (949,562)</u>	<u>\$ (1,101,243)</u>
\$ 329,601	\$ 352,910	\$ 369,565	\$ 368,200	\$ 376,609	\$ 598,655
270,575	273,422	273,422	273,305	273,846	295,592
84,084	72,875	70,004	53,366	113,233	109,073
34,471	33,987	32,910	27,044	25,726	17,745
<u>718,731</u>	<u>733,194</u>	<u>745,901</u>	<u>721,915</u>	<u>789,414</u>	<u>1,021,065</u>
3,148	1,717	2,054	1,751	5,501	3,055
<u>(34,471)</u>	<u>(33,987)</u>	<u>(32,910)</u>	<u>(27,044)</u>	<u>(25,726)</u>	<u>(17,745)</u>
<u>(31,323)</u>	<u>(32,270)</u>	<u>(30,856)</u>	<u>(25,293)</u>	<u>(20,225)</u>	<u>(14,690)</u>
<u>687,408</u>	<u>700,924</u>	<u>715,045</u>	<u>696,622</u>	<u>769,189</u>	<u>1,006,375</u>
(323,430)	(296,085)	(302,635)	98,826	45,031	222,671
22,893	81	16,039	20,582	21,837	18,144
<u>\$ (300,537)</u>	<u>\$ (296,004)</u>	<u>\$ (286,596)</u>	<u>\$ 119,408</u>	<u>\$ 66,868</u>	<u>\$ 240,815</u>

CITY OF MILWAUKEE  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
 LAST TEN YEARS  
*(Modified Accrual Basis of Accounting)*  
*(Thousands of Dollars)*

Table 3

	Fiscal Year			
	2015	2016	2017	2018
<b>Revenues:</b>				
Property taxes .....	\$ 253,815	\$ 252,986	\$ 299,552	\$ 310,933
Other taxes .....	32,861	34,921	6,699	5,093
Special assessments .....	4,666	1,945	2,019	1,724
Licenses and permits .....	16,629	16,767	15,597	17,232
Intergovernmental .....	322,763	323,161	338,615	332,632
Charges for services .....	154,402	147,480	156,785	159,473
Fines and forfeits .....	4,110	3,534	3,357	3,297
Contributions received .....	2,588	2,378	3,022	3,205
Other .....	42,188	43,477	36,054	46,274
Total Revenues .....	<u>834,022</u>	<u>826,649</u>	<u>861,700</u>	<u>879,863</u>
<b>Expenditures:</b>				
Current:				
General government .....	254,168	248,581	253,638	297,229
Public safety .....	307,185	334,411	326,962	330,227
Public works .....	103,512	107,649	103,324	106,636
Health .....	18,014	19,688	20,182	19,698
Culture and recreation .....	20,190	21,128	21,168	21,774
Conservation and development .....	29,178	28,565	28,717	27,708
Capital outlay .....	155,227	139,236	172,270	165,877
Debt Service:				
Principal retirement .....	414,499	442,671	259,911	271,569
Interest .....	36,606	36,889	40,366	40,619
Bond issuance costs .....	1,180	1,305	329	245
Total Expenditures .....	<u>1,339,759</u>	<u>1,380,123</u>	<u>1,226,867</u>	<u>1,281,582</u>
Excess (deficiency) of Revenues over Expenditures .....	(505,737)	(553,474)	(365,167)	(401,719)
<b>Other Financing Sources (Uses):</b>				
General obligation bonds and notes issued .....	380,522	266,452	176,997	266,889
Refunding bonds issued .....	106,316	196,659	76,243	57,273
Proceeds of subscription arrangements.....	-	-	-	-
Loans activities .....	(4,972)	(1,587)	(1,876)	(1,772)
Issuance premium .....	12,645	15,956	23,601	31,626
Transfers in .....	214,406	138,397	229,508	198,721
Transfers out .....	(171,368)	(98,795)	(192,654)	(160,920)
Total Other Financing Sources and Uses.....	<u>537,549</u>	<u>517,082</u>	<u>311,819</u>	<u>391,817</u>
Net Change in Fund Balances .....	<u>\$ 31,812</u>	<u>\$ (36,392)</u>	<u>\$ (53,348)</u>	<u>\$ (9,902)</u>
Debt service as a percentage of noncapital expenditures .....	<u>36.9%</u>	<u>38.7%</u>	<u>27.3%</u>	<u>28.0%</u>

Table 3

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 325,039	\$ 346,409	\$ 364,207	\$ 361,604	\$ 369,514	\$ 390,584
6,208	5,714	7,273	6,121	6,868	206,532
2,449	1,593	2,981	2,970	6,084	1,903
18,502	13,978	17,197	19,801	19,596	20,206
331,473	411,894	430,032	468,574	494,788	550,737
164,558	157,196	159,327	177,642	170,547	170,861
2,633	2,008	2,578	3,162	2,429	1,944
2,719	3,159	2,235	2,865	3,140	1,973
43,190	31,410	29,181	28,236	67,702	59,002
<u>896,771</u>	<u>973,361</u>	<u>1,015,011</u>	<u>1,070,975</u>	<u>1,140,668</u>	<u>1,403,742</u>
296,385	265,138	278,327	301,115	293,013	373,884
332,900	399,595	374,074	400,090	400,926	434,365
110,131	107,283	110,483	111,232	118,973	151,020
21,078	32,160	44,264	31,793	36,415	38,855
23,159	17,846	22,505	24,829	31,742	35,438
26,023	44,731	24,064	32,925	38,430	63,664
125,788	116,128	142,717	100,389	148,831	188,463
321,761	276,994	201,367	138,686	171,755	112,283
44,144	45,442	47,538	46,810	48,639	45,674
133	4,424	899	1,737	1,205	901
<u>1,301,502</u>	<u>1,309,741</u>	<u>1,246,238</u>	<u>1,189,606</u>	<u>1,289,929</u>	<u>1,444,547</u>
(404,731)	(336,380)	(231,227)	(118,631)	(149,261)	(40,805)
229,888	221,327	110,065	115,434	181,609	106,773
85,416	190,137	77,617	32,702	3,849	5,000
-	-	-	-	20,643	3,976
(2,205)	(2,326)	(2,082)	(1,968)	(1,780)	(582)
18,527	25,903	25,777	14,177	8,185	13,122
119,457	231,957	113,269	91,764	155,725	97,040
(84,986)	(197,970)	(80,359)	(64,720)	(129,999)	(79,295)
<u>366,097</u>	<u>469,028</u>	<u>244,287</u>	<u>187,389</u>	<u>238,232</u>	<u>146,034</u>
<u>\$ (38,634)</u>	<u>\$ 132,648</u>	<u>\$ 13,060</u>	<u>\$ 68,758</u>	<u>\$ 88,971</u>	<u>\$ 105,229</u>
<u>31.1%</u>	<u>27.4%</u>	<u>21.2%</u>	<u>16.8%</u>	<u>19.2%</u>	<u>12.3%</u>



CITY OF MILWAUKEE  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 LAST TEN YEARS  
*(Modified Accrual Basis of Accounting)*  
*(Thousands of Dollars)*

Table 4

	Fiscal Year				
	2015	2016	2017	2018	2019
General Fund					
Nonspendable .....	\$ 17,094	\$ 16,127	\$ 18,401	\$ 19,476	\$ 21,621
Committed.....	2,035	2,266	3,444	3,066	2,949
Assigned .....	46,404	38,802	37,281	26,450	20,580
Unassigned.....	61,715	50,737	38,350	18,002	7,339
Total General Fund.....	<u>\$ 127,248</u>	<u>\$ 107,932</u>	<u>\$ 97,476</u>	<u>\$ 66,994</u>	<u>\$ 52,489</u>
All Other Governmental Funds					
Nonspendable .....	\$ -	\$ 7	\$ 3,684	\$ 1,160	\$ 397
Restricted.....	227,376	215,480	188,578	211,324	206,314
Committed.....	5,264	-	-	20,817	18,578
Unassigned (deficit).....	(15,276)	(15,199)	(34,866)	(55,325)	(71,442)
Total all other governmental funds .....	<u>\$ 217,364</u>	<u>\$ 200,288</u>	<u>\$ 157,396</u>	<u>\$ 177,976</u>	<u>\$ 153,847</u>

	Fiscal Year				
	2020	2021	2022	2023	2024
General Fund					
Nonspendable .....	\$ 21,206	\$ 23,377	\$ 31,509	\$ 27,342	\$ 68,277
Committed.....	123,007	122,337	123,261	123,247	122,952
Assigned .....	27,220	21,610	26,588	26,123	83,601
Unassigned.....	16,959	9,081	20,144	59,699	66,630
Total General Fund.....	<u>\$ 188,392</u>	<u>\$ 176,405</u>	<u>\$ 201,502</u>	<u>\$ 236,411</u>	<u>\$ 341,460</u>
All Other Governmental Funds					
Nonspendable .....	\$ 368	\$ 261	\$ 259	\$ 267	\$ 277
Restricted.....	216,081	221,098	220,870	235,764	291,210
Committed.....	27,397	31,062	24,423	62,037	65,456
Unassigned (deficit).....	(93,254)	(76,782)	(26,252)	(24,706)	(83,401)
Total all other governmental funds .....	<u>\$ 150,592</u>	<u>\$ 175,639</u>	<u>\$ 219,300</u>	<u>\$ 273,362</u>	<u>\$ 273,542</u>

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
 LAST TEN YEARS  
 (Thousands of Dollars)

Table 5

Budget Year	Real Estate			Personal Property		
	Residential Property	Commercial Property	Manufacturing Property	Machinery Tools Patterns	Furniture Fixtures & Equipment	All Other
2015	\$ 14,198,159	\$ 9,178,216	\$ 707,901	\$ 293,288	\$ 424,803	\$ 222,175
2016	14,254,964	9,430,293	726,810	215,006	430,290	205,599
2017	14,438,034	9,964,809	765,075	209,206	427,626	205,720
2018	14,854,224	10,496,051	765,075	212,186	423,911	185,913
2019	15,647,626	11,255,216	763,523	74,475	431,067	176,661
2020	16,098,609	11,915,466	790,548	79,091	433,110	173,022
2021	17,953,629	12,426,339	829,539	-	402,255	318,867
2022	18,005,749	12,612,314	763,234	84,236	444,129	135,808
2023	21,194,517	13,626,633	792,275	87,851	435,711	129,992
2024	21,289,921	13,591,764	913,950	83,712	396,111	116,442
Budget Year	Total Taxable Assessed Value		Total Direct Tax Rate	Estimated Actual Taxable Value	Ratio of Total Assessed to Total Estimated Actual Value	
2015	\$ 25,024,542		\$10.71	\$ 26,138,108	95.7%	
2016	25,262,963		10.61	25,980,470	97.2%	
2017	25,974,258		10.75	27,042,047	96.1%	
2018	26,937,359		10.76	26,903,885	100.0%	
2019	28,348,568		10.59	28,340,401	100.0%	
2020	29,489,846		10.58	29,746,346	99.1%	
2021	31,930,629		10.09	31,475,102	101.4%	
2022	32,045,469		10.16	35,338,274	90.7%	
2023	36,266,979		9.16	39,448,239	91.9%	
2024	36,391,902		9.47	43,773,838	83.1%	

Source: The Assessed Values are established by the City of Milwaukee Assessor's Office and are used to calculate property taxes. The Estimated Actual (Equalized) Values are provided by the State Supervisor of Assessments. State law requires all assessments to be within 10% of the equalized value ratio at least once every four year period.

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
 LAST TEN YEARS  
*(Rate per \$1,000 of assessed value)*

Table 6

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>City Direct Rates (A)</b>										
City of Milwaukee	\$ 10.42	\$ 10.29	\$ 10.47	\$ 10.57	\$ 10.45	\$ 10.48	\$ 10.08	\$ 10.15	\$ 9.15	\$ 9.47
Allocation of Debt Service incurred for Schools	<u>0.29</u>	<u>0.32</u>	<u>0.28</u>	<u>0.18</u>	<u>0.14</u>	<u>0.10</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>-</u>
Total Direct Rate	10.71	10.61	10.75	10.75	10.59	10.58	10.09	10.16	9.16	9.47
<b>Overlapping Rates (B)</b>										
Milwaukee School Board	10.93	10.52	9.61	8.34	7.61	7.91	8.85	10.20	9.44	9.55
Less: allocation of Debt Service in City rate	<u>(0.29)</u>	<u>(0.32)</u>	<u>(0.28)</u>	<u>(0.18)</u>	<u>(0.14)</u>	<u>(0.10)</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>-</u>
Total School Rate	10.64	10.20	9.33	8.16	7.47	7.81	8.84	10.19	9.43	9.55
Milwaukee Area District Board of Vocational, Technical and Adult Education	1.33	1.29	1.31	1.26	1.23	1.19	1.13	1.11	0.98	1.01
County of Milwaukee	5.33	5.28	5.31	5.05	4.90	4.83	4.54	4.73	4.18	3.94
State of Wisconsin	0.17	0.18	0.18	-	-	-	-	-	-	-
Milwaukee Metropolitan Sewerage District	<u>1.79</u>	<u>1.79</u>	<u>1.82</u>	<u>1.72</u>	<u>1.69</u>	<u>1.66</u>	<u>1.56</u>	<u>1.64</u>	<u>1.48</u>	<u>1.55</u>
Total Tax Rate (C)	<u>\$ 29.97</u>	<u>\$ 29.35</u>	<u>\$ 28.70</u>	<u>\$ 26.94</u>	<u>\$ 25.88</u>	<u>\$ 26.07</u>	<u>\$ 26.16</u>	<u>\$ 27.83</u>	<u>\$ 25.23</u>	<u>\$ 25.52</u>

(A) State law prohibits the City from increasing its base levy in any year by more than the percentage change in the equalized value due to net new construction.

(B) Overlapping rates are those of local and county governments that apply to property owners within the City of Milwaukee.

(C) Tax rates were constructed considering the provision of the tax incremental district law. The application of these rates to the applicable assessed values will provide a tax yield higher than the levy.

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Current Year and Nine Years Ago  
*(Thousands of Dollars)*

Table 7

Taxpayer	Type of Business	2024		2015	
		Assessed Valuation	Percentage of Total Assessed Valuation	Assessed Valuation	Percentage of Total Assessed Valuation
Northwestern Mutual Life Ins.	Insurance	\$ 638,418	1.52 %	\$ 140,428	0.56 %
Berrada Properties	Real Estate	544,872	1.30		
Mandel Group (Includes Park Lafayette)	Real Estate	441,459	1.05	138,190	0.55
Weidner Investments	Real Estate	296,869	0.71		
New Land Investments	Real Estate	262,761	0.63		
US Bank Corp	Banking	250,562	0.60	233,436	0.88
Katz Properties	Real Estate	233,379	0.56		
Irgens	Real Estate	215,737	0.51		
Metropolitan Associates	Real Estate	181,395	0.43	94,943	0.38
BarretLo Visionary Development	Real Estate	168,139	0.40		
Forest County Potawatomi Community	Real Estate			124,506	0.49
Marcus Corp./Mil. City Center/Pfister	Hotels/Restaurants			95,989	0.38
Brewery Woks/Riverbend Place	Real Estate			87,949	0.35
100 E Wisconsin Ave Joint Venture	Real Estate			77,205	0.31
Gorman & Co.	Real Estate			76,856	0.30
Jackson Street Holdings	Real Estate			74,642	0.30
		<u>\$ 3,233,591</u>	<u>7.71 %</u>	<u>\$ 1,144,144</u>	<u>4.50 %</u>

CITY OF MILWAUKEE  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 LAST TEN YEARS  
*(Thousands of Dollars)*

Table 8

Budget Year	Taxes Levied for the Fiscal Year (Original Levy)	Purchased and Adjustments (A)	Total Adjusted Levy	Collected for the Levy		Collections		Total Collections to Date	
				Levy Year (B)	Percent Original Levy Collected	Purchased Delinquents Original Levy Year (C)	Total Adjusted Levy in Subsequent Years	Amount	Percentage of Adjusted Levy
2015	\$ 312,216	\$ 28,435	\$ 340,651	\$ 302,084	96.76	\$ 12,471	\$ 25,268	\$ 339,823	99.76
2016	312,091	17,359	329,450	302,628	96.97	10,907	15,012	328,547	99.73
2017	318,867	22,409	341,276	309,345	97.01	15,266	15,626	340,237	99.70
2018	325,152	14,894	340,046	316,357	97.30	7,544	15,033	338,933	99.67
2019	333,909	17,474	351,383	326,084	97.66	10,921	12,717	349,723	99.53
2020	346,409	22,506	368,915	338,689	97.77	14,463	13,885	367,036	99.49
2021	362,346	19,461	381,807	355,970	98.24	11,827	12,087	379,884	99.50
2022	361,603	20,090	381,693	355,020	98.18	11,508	12,389	378,917	99.27
2023	369,513	20,590	390,103	362,036	97.98	10,101	10,678	382,815	98.13
2024	390,583	21,256	411,839	381,985	97.80	9,232	-	390,873	94.91

(A) This column includes adjustments. The City purchases delinquent taxes from the other units (Milwaukee County, Metropolitan Sewerage District, State, Milwaukee Area Technical College and Milwaukee Public Schools).

(B) Tax collections begin in December for the succeeding Budget Year

(C) Collections of (A) in the year purchased.

Note: State law limits levy increases to 2% of economic development for general city purposes.

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 LAST TEN YEARS  
*(Dollars in Thousands, except per capita)*

Table 9

<b>Governmental Activities</b>							
<u>Year</u>	<u>General Obligation Bonds and Notes</u>	<u>Lease and Subscription Obligations</u>	<u>Less: Amounts Available in Debt Service Funds</u>	<u>Total</u>	<u>Estimated Actual Taxable Value of Property</u>	<u>Percentage of Total Taxable Value of Property</u>	<u>Per Capita</u>
2015	\$ 848,259	\$ -	\$ 174,839	673,420	\$ 26,138,108	3.25%	\$ 1,130.28
2016	949,001	-	143,918	805,083	25,980,470	3.65%	1,353.99
2017	942,330	-	138,682	803,648	27,042,047	3.48%	1,359.58
2018	994,923	-	112,631	882,292	26,903,885	3.70%	1,481.60
2019	988,466	-	153,782	834,684	28,340,401	3.49%	1,413.52
2020	1,122,936	-	74,939	1,047,997	29,746,346	3.78%	1,785.04
2021	1,109,251	-	72,053	1,037,198	31,475,102	3.52%	1,766.65
2022	1,118,699	4,456	78,203	1,044,952	35,338,274	3.17%	1,802.35
2023	1,132,402	20,870	84,700	1,068,572	39,448,239	2.87%	1,856.13
2024	1,131,895	19,315	108,460	1,042,750	43,773,838	2.59%	1,805.94
<b>Business-Type Activities</b>							
<u>Year</u>	<u>General Obligation Bonds and Notes</u>	<u>Revenue Bonds</u>	<u>State Loans (Revenue Bonds)</u>	<u>Lease and Subscription Obligations</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (A)</u>	<u>Per Capita (A)</u>
2015	\$ 31,822	\$ 95,459	\$ 107,533	-	\$ 1,039,897	2.20%	\$ 1,928.37
2016	52,139	190,086	101,612	-	1,147,485	2.78%	1,932.26
2017	38,875	200,156	114,308	-	1,235,631	2.88%	2,090.39
2018	34,172	158,360	166,243	-	1,193,459	2.64%	2,004.13
2019	66,674	149,675	183,866	-	1,234,899	2.66%	2,091.28
2020	64,869	140,580	208,722	-	1,451,369	3.01%	2,472.10
2021	27,834	166,190	245,242	-	1,476,464	3.79%	2,514.84
2022	25,226	163,765	248,802	-	1,478,289	3.20%	2,560.69
2023	23,501	154,860	255,242	-	1,502,175	2.73%	2,609.30
2024	21,460	148,145	246,168	-	1,458,523	Not Available	2,526.02

*Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements and in the Miscellaneous Financial Data Section.*

(A) See Table 13 for personal income and population data

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**LEGAL DEBT MARGIN INFORMATION**  
 Last Ten Fiscal Years  
*(Thousand of Dollars)*

Table 10

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit .....	\$ 1,829,668	\$ 1,818,633	\$ 1,892,943	\$ 1,883,272	\$ 1,983,828
Total net debt applicable to limit .....	<u>622,044</u>	<u>857,223</u>	<u>905,647</u>	<u>876,597</u>	<u>901,358</u>
Legal debt margin .....	<u>\$ 1,207,624</u>	<u>\$ 961,410</u>	<u>\$ 987,296</u>	<u>\$ 1,006,675</u>	<u>\$ 1,082,470</u>
Total net debt applicable to the limit as a percentage of debt limit ..	34.00%	47.14%	47.84%	46.55%	45.44%

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt limit .....	\$ 2,082,244	\$ 2,203,257	\$ 2,473,679	\$ 2,761,377	\$ 3,064,169
Total net debt applicable to limit .....	<u>1,112,866</u>	<u>1,065,032</u>	<u>1,065,721</u>	<u>1,071,204</u>	<u>995,070</u>
Legal debt margin .....	<u>\$ 969,378</u>	<u>\$ 1,138,225</u>	<u>\$ 1,407,958</u>	<u>\$ 1,690,173</u>	<u>\$ 2,069,099</u>
Total net debt applicable to the limit as a percentage of debt limit ..	53.45%	48.34%	43.08%	38.79%	32.47%

CITY OF MILWAUKEE  
**LEGAL DEBT MARGIN INFORMATION**  
 Last Ten Fiscal Years  
 (Thousand of Dollars)

Table 10

**Legal Debt Margin Calculation for Fiscal Year 2024**

Assessed Value .....	<u>\$ 36,391,902</u>
Equalized Value .....	<u>43,773,838</u>
Debt Limit 7% of Equalized Value .....	\$ 3,064,169

	<b>Gen City</b>	<b>Schools</b>	<b>Total</b>
Debt Limit	\$ 2,188,692	\$ 875,477	\$ 3,064,169
Amount of Debt Applicable to Debt Limit:			
General Obligation bonds .....	344,496	49,300	393,796
General Obligation notes .....	688,274	-	688,274
Parking bonds and notes .....	15,834	-	15,834
Harbor bonds and notes .....	4,877	-	4,877
Sewer Maintenance bonds and notes.....	749	-	749
Total Debt .....	<u>\$ 1,054,230</u>	<u>\$ 49,300</u>	<u>\$ 1,103,530</u>
Deduct:			
Assets in Debt Service Funds .....	<u>108,460</u>	<u>-</u>	<u>108,460</u>
Total Amount of Debt Applicable to Debt Limit	945,770	49,300	995,070
Legal Debt Margin .....	<u>\$ 1,242,922</u>	<u>\$ 826,177</u>	<u>\$ 2,069,099</u>

(A) *The water revenue bonds, sewer revenue bonds and clean water loans are payable only from the income and revenues derived from the operations of the water system and sewer system, respectively. These bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or provision.*

Note: *State Statutes (67.03 and 119.49) limit direct general obligation borrowing in the amount equivalent to 7% of the equalized valuation of taxable property. However, it may be reduced in any year by the amount of any surplus money in the debt service fund. The statutes further provide that within the 7% limitation, borrowing for school construction purposes may not exceed 2% of the equalized valuation and borrowing for general city purposes may not exceed 5% of the equalized valuation.*

See accompanying independent auditors' report.



CITY OF MILWAUKEE  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
December 31, 2024  
(Thousands of Dollars)

Table 11

Name of Government Unit	Net Debt Outstanding	Percentage Applicable to City of Milwaukee (C)	City of Milwaukee's Share of Debt
<b>Debt Repaid with property taxes</b>			
Direct Debt:			
City of Milwaukee (A) .....	\$ 1,131,925	100%	\$ 1,131,925
Overlapping Debt:			
Milwaukee Area Technical College District .....	102,815	37%	37,527
County of Milwaukee .....	404,820	46%	184,925
Milwaukee Metropolitan Sewerage Area (B) .....	790,590	46%	<u>366,507</u>
<b>Total Direct and Overlapping Debt .....</b>			<b><u>\$ 1,720,884</u></b>

**Sources:** *Estimated Actual (Equalized) Values used to estimate applicable percentages provided by the State Supervisor of Assessments. Debt outstanding data provided by each governmental unit.*

**Note:** *Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Milwaukee. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.*

(A) *Excludes \$100,605 of Industrial Revenue Bonds. Includes debt incurred to finance Milwaukee School Board construction. Net Debt Outstanding computation shown Table 11.*

(B) *Includes \$160,913 low interest loan from the State of Wisconsin Clean Water Fund, supported by the full faith and credit of the District.*

(C) *The percentage of overlapping debt applicable is estimated using estimated actual (equalized) property values. Applicable percentages were estimated by determining the portion of the City's equalized value.*

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**PLEDGED-REVENUE COVERAGE**  
 LAST TEN YEARS  
*(Thousands of Dollars)*

Table 12

<b>Water Revenue Bonds</b>							
<b>Year</b>	<b>Gross Revenues</b>	<b>Debt Coverage Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Total Debt Service</b>	<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>		
2015	\$ 96,711	\$ 67,396	\$ 29,315	\$ 1,335	\$ 225	\$ 1,560	18.79
2016	97,881	55,229	42,652	1,677	315	1,992	21.41
2017	97,910	51,676	46,234	2,205	672	2,877	16.07
2018	100,876	59,548	41,328	3,126	938	4,064	10.17
2019	99,170	64,109	35,061	2,411	1,047	3,458	10.14
2020	98,587	59,386	39,201	3,886	1,520	5,406	7.25
2021	99,740	62,200	37,539	5,163	1,881	7,044	5.33
2022	99,504	59,311	40,193	5,471	1,850	7,321	5.49
2023	111,307	69,861	41,446	3,892	610	4,502	9.21
2024	115,516	85,083	30,433	6,156	1,787	7,943	5.63

<b>Sewer Revenue Bonds</b>							
<b>Year</b>	<b>Gross Revenues</b>	<b>Debt Coverage Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Total Debt Service</b>	<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>		
2015	\$ 60,713	\$ 17,256	\$ 43,457	\$ 9,398	\$ 5,889	\$ 15,287	2.84
2016	63,050	17,879	45,171	10,471	6,085	16,556	2.73
2017	65,275	20,207	45,068	13,575	9,263	22,838	1.97
2018	66,838	17,021	49,817	14,893	9,123	24,016	2.07
2019	68,400	13,450	54,950	16,274	8,874	25,148	2.19
2020	68,937	13,023	55,914	18,893	8,161	27,054	2.07
2021	70,853	16,803	54,050	18,466	9,377	27,843	1.94
2022	73,319	11,301	62,018	19,836	8,981	28,817	2.15
2023	76,075	13,359	62,716	18,785	8,808	27,593	2.27
2024	77,557	18,594	58,963	19,367	8,259	27,626	2.13

Note: Water Revenue Bonds issued between 2013 and 2021. Sewer Revenue bonds issued between 2013 and 2021. Details regarding the City's outstanding debt can be found in the notes to the financial statements. Gross revenues include nonoperating interest income. Operating expenses do not include interest, depreciation, amortization expenses or the transfer for Payment in Lieu of Taxes.

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 LAST TEN CALENDAR YEARS

Table 13

<u>County of Milwaukee</u>						
<b>Year</b>	<b>Population (A)</b>	<b>Personal Income (Thousands of Dollars) (B)</b>	<b>Per Capita Income (C)</b>	<b>Median Age (D)</b>	<b>School Enrollment (E)</b>	<b>Unemployment Rate (F)</b>
2015	595,787	\$ 40,676,471	\$ 42,587	34.0	75,568	6.4%
2016	594,667	\$ 40,668,712	\$ 42,765	34.2	76,856	5.5%
2017	591,076	\$ 41,907,840	\$ 44,298	34.3	77,215	4.5%
2018	595,555	\$ 44,055,784	\$ 46,746	34.6	75,081	4.0%
2019	590,547	\$ 45,084,109	\$ 47,916	35.2	74,633	4.3%
2020	587,072	\$ 47,804,449	\$ 50,934	35.2	71,867	9.4%
2021	587,976	\$ 51,785,175	\$ 56,028	35.2	69,115	6.5%
2022	577,309	\$ 52,957,639	\$ 57,683	35.4	68,435	4.2%
2023	575,722	\$ 55,077,022	\$ 60,114	40.4	68,435	4.3%
2024	577,385	Not available	Not available	35.7	66,864	4.2%

(A) *The December 31, 2015 through 2024 City of Milwaukee populations are a final estimate from the Wisconsin Department Administration. (The population data differs from the Census Bureau.)*

(B) *Personal income is from the Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce. Personal income includes all of Milwaukee County because a substantial portion of the County is made up of the City of Milwaukee.*

(C) *Per capita personal income is from the Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce and includes all of Milwaukee County because a substantial portion of the County is made up of the City of Milwaukee.*

(D) *Milwaukee County Median age of the population was determined only during a census. These figures represent the data collected by the American Community Survey.*

(E) *Annual School Census by Board of School Directors. Represents Milwaukee Public Schools only.*

(F) *City of Milwaukee Unemployment Rate is the annual average from the State of Wisconsin Department of Workforce Development.*

*See accompanying independent auditors' report.*

CITY OF MILWAUKEE  
**PRINCIPAL EMPLOYERS**  
CURRENT YEAR AND NINE YEARS AGO

Table 14

Employer	2024 Estimates (1)			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Advocate Aurora Health	32,000	1	7.15%	24,509	1	5.44%
Froedtert and Community Health	14,871	2	3.32	9,800	3	2.17
Ascension Wisconsin	10,300	3	2.30			
Northwestern Mutual	7,550	4	1.69	5,100	7	1.13
Roundy's Supermarkets Inc.	7,500	5	1.68	8,260	4	1.83
Medical College of Wisconsin	7,343	6	1.64	5,170	6	1.15
Children's Hospital and Health System	5,860	7	1.31	4,530	9	1.01
Kohl's Corp.	5,300	8	1.18			
GE Healthcare	5,100	9	1.14	6,000	5	1.33
Milwaukee Tool	4,900	10	1.10			
Wheaton Franciscan Healthcare				11,281	2	2.50
ProHealth Care Inc				4,729	8	1.05
Columbia St. Mary's Health System				4,500	10	1.00
Total	<u>100,724</u>		<u>22.51%</u>	<u>83,879</u>		<u>18.61%</u>

(1) Reflects full-time equivalent employees of businesses and industrial firms, does not include Government employers

Note: Data includes all of Milwaukee County and areas contiguous to Milwaukee County,

Source: The 2024 data was from Business Journal of Greater Milwaukee (August 9-15, 2024, Vol 41, No. 50 printed edition).

The 2015 data was from Milwaukee Business Journal, as of July 10, 2015

Total employment data (2015 = 450,655) (2024 = 447,437) from the State of Wisconsin Workforce Development.

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAMS - ADOPTED BUDGET POSITIONS**  
 LAST TEN YEARS

Table 15

Functions/Programs	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	736	750	741	766	786	776	778	782	795	817
Temporary - Election Commission	823	2,473	820	2,250	1,505	2,520	1,523	2,250	1,034	2,317
Public Safety										
Fire										
Fire Fighting Force	875	876	810	765	736	739	723	730	779	802
Civilians	118	131	133	133	135	135	137	137	145	110
Police										
Law Enforcement	1,942	1,979	1,989	1,955	1,954	1,956	1,856	1,839	1,839	1,881
Civilian	625	619	598	636	633	631	635	694	751	785
School Crossing Guards	242	241	241	241	241	241	241	241	241	241
Neighborhood Services	283	293	289	280	292	289	285	285	288	291
Public Works										
Administrative Services	48	49	43	45	46	45	43	44	44	44
Infrastructure Services	801	790	805	815	822	820	824	815	820	820
Operations	1,436	1,437	1,443	1,440	1,435	1,396	815	815	800	807
Health	251	252	252	254	280	285	637	385	381	342
Culture and recreation	371	358	364	375	377	364	359	348	347	396
Conservation and development										
Youth initiative positions	135	133	121	127	125	121	121	121	122	122
Water	371	381	395	406	430	436	439	437	435	436
Sewer Maintenance	146	146	145	144	147	148	156	160	165	166
Parking	121	121	118	118	126	127	118	122	123	135
Port of Milwaukee	<u>37</u>	<u>37</u>	<u>37</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>
Subtotal	9,361	11,066	9,344	10,785	10,105	11,064	9,725	10,240	9,144	10,547
Less Temporary Positions	<u>(1,055)</u>	<u>(2,703)</u>	<u>(1,050)</u>	<u>(2,491)</u>	<u>(1,746)</u>	<u>(2,761)</u>	<u>(1,764)</u>	<u>(2,491)</u>	<u>(1,275)</u>	<u>(2,558)</u>
<b>Total Budgeted Positions</b>	<b><u>8,306</u></b>	<b><u>8,363</u></b>	<b><u>8,294</u></b>	<b><u>8,294</u></b>	<b><u>8,359</u></b>	<b><u>8,303</u></b>	<b><u>7,961</u></b>	<b><u>7,749</u></b>	<b><u>7,869</u></b>	<b><u>7,989</u></b>

Source: Budget Office. Firefighters and Law Enforcement from Departmental reports.

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**OPERATING INDICATORS BY FUNCTIONS/PROGRAMS**  
 LAST TEN YEARS

Table 16

Functions/Programs	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
Investment portfolio return	0.23%	0.43%	0.88%	1.96%	2.27%	0.56%	0.06%	1.53%	5.13%	5.27%
Courtroom cases	80,821	84,464	74,120	80,870	61,284	19,908	15,865	17,360	16,392	14,311
Public safety										
Police										
Dispatched assignments	260,860	284,893	249,855	255,599	264,969	271,530	279,818	274,525	268,537	250,884
Traffic citations	55,592	46,969	71,655	69,048	50,072	41,524	53,957	33,128	30,737	30,085
Homicide clearance rates	58%	67%	70%	76%	77%	55%	50%	57%	59%	78%
Fire										
Number of medical emergency assists	70,504	78,484	76,793	71,323	70,461	67,559	70,740	75,516	75,659	80,637
Number of fires extinguished	2,351	2,198	2,017	1,749	1,580	2,241	2,120	2,964	3,298	3,694
Civilian fire deaths	10	5	7	9	7	6	14	16	15	6
Building Inspection										
Complaints reported	34,933	36,548	36,938	38,788	41,699	39,414	46,085	37,393	40,499	40,150
Orders issued	60,106	43,499	25,949	25,821	36,825	31,488	33,752	29,029	30,503	28,201
Public Works										
Major streets paving (miles)	33.5	35.4	34.0	29.0	28.0	23.3	17.0	20.2	21.0	111.5
Asphalt patching/pot holes (tons)	18,816	18,857	22,257	19,019	17,460	12,794	12,784	10,949	11,700	11,687
Refuse tonnage	243,478	248,083	256,599	259,450	268,162	276,982	272,644	240,186	232,011	236,981
Recycling tonnage	25,105	25,232	25,325	25,505	24,258	26,432	26,421	25,968	24,337	25,753
Health										
Food inspections	9,236	10,087	8,208	9,775	9,525	3,957	6,391	8,476	9,662	10,644
Immunizations	10,561	8,360	8,271	5,921	6,859	4,818	220,190	33,859	7,225	10,602
Culture and Recreation										
Library hours of operation	30,866	32,282	32,282	33,440	31,546	17,520	25,269	29,356	30,994	31,775
Collections size	2,308,825	2,323,743	2,293,455	2,571,761	2,703,907	2,543,110	2,359,441	2,382,798	2,386,721	2,369,877
Public computers	752	682	600	655	681	527	969	796	756	558
Conservation and Development										
Jobs created	2,337	2,063	1,140	1,327	606	915	503	1,712	160	500
Jobs retained	2,535	1,960	1,355	2,715	641	624	0	0	727	0
New housing units	2,340	2,081	1,265	1,720	1,271	782	646	342	1,446	1,044
Water										
Millions gallons sold	29,657	29,440	28,761	28,730	27,708	27,179	27,234	26,868	27,400	28,340
Population served	865,109	864,144	868,882	866,933	863,921	860,919	861,074	852,208	947,069	923,008
Sewer Maintenance										
Sewer service backups	22	23	26	33	30	20	26	37	35	40
Street flooding complaints	3,096	1,808	2,523	3,350	2,448	1,935	1,573	2,513	2,451	2,721
Parking										
Citations issued	705,850	626,333	594,360	636,117	572,070	303,087	517,305	469,641	463,098	396,655
Vehicle tows	34,892	32,185	31,204	29,291	25,268	15,873	25,274	24,687	24,229	23,192
Port										
Metric tonnage total	2,711,347	2,441,072	2,573,475	2,393,877	2,668,624	2,812,008	2,348,419	2,272,972	2,355,343	2,232,529

Sources: Various city departments

See accompanying independent auditors' report.

CITY OF MILWAUKEE  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAMS**  
 LAST TEN YEARS

Table 17

Functions/Programs	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety										
Police										
Stations	8	8	8	8	8	8	8	8	7	7
Lock-up facilities	7	7	7	7	7	7	7	7	7	7
Patrol vehicles	504	505	505	418	426	415	398	381	334	326
Patrol motorcycles	55	56	56	56	56	63	64	62	60	67
Fire Stations	36	36	36	30	30	30	29	29	29	30
Public Works										
Streets - paved	1,272	1,272	1,272	1,272	1,272	1,272	1,272	1,425	1,425	1,425
Streets - unpaved	15	15	15	15	15	15	15	5	5	5
Alleys	414	414	414	414	414	414	414	414	414	414
Street lights	68,856	69,111	69,111	69,195	69,235	69,845	69,977	70,960	70,840	71,703
Alley lights	8,786	8,797	8,797	9,014	9,014	8,879	8,879	8,882	8,882	8,882
Garbage/snow trucks	180	192	183	177	180	183	187	180	180	180
Health										
Health centers	3	3	3	3	3	3	3	3	3	3
Culture and Recreation										
Playgrounds, playfields, tot lots, recreation centers	138	138	138	138	138	144	144	130	132	132
Libraries	13	13	13	13	13	13	13	13	13	13
Water										
Miles of mains	1,962	1,962	1,961	1,961	1,961	1,960	1,960	1,960	1,962	1,961
Hydrants	19,846	19,862	19,861	19,865	19,876	19,889	19,867	19,864	19,962	19,954
Million gallons pumped	35,872	35,447	34,456	35,506	33,839	32,532	33,843	34,578	35,250	36,517
Million gallons consumed	29,657	29,440	28,760	28,967	27,905	27,337	27,483	27,056	27,400	28,322
Miles of Sewers										
Storm	966	967	967	968	968	963	965	963	964	964
Sanitary	944	945	945	945	945	978	945	946	948	949
Combined	551	551	551	551	551	557	551	551	536	536
Parking										
Parking lots	44	44	45	42	42	42	42	40	39	39
Parking structures	5	5	5	5	5	5	5	5	5	5
Port										
Cargo terminals	7	7	7	7	7	7	7	7	7	7
Rental warehouses and buildings	11	11	10	11	11	11	9	9	9	9
Ferry terminal	1	1	1	1	1	1	1	1	1	1
Cranes and forklifts	11	11	11	11	9	9	9	9	9	9
Vessel berths	17	17	17	17	17	17	17	17	17	17

Sources: Various city departments

Note: No capital asset indicators are available for the general government function.

*See accompanying independent auditors' report.*