

# **City of Oak Creek**

Financial Statements and  
Supplementary Information

December 31, 2020

# City of Oak Creek

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# City of Oak Creek

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## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Oak Creek  
Oak Creek, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oak Creek, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Oak Creek's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oak Creek, Wisconsin, as of December 31, 2020 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.

To the City Council  
City of Oak Creek

**Other Matters**

*Required Supplementary Information*

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

*Supplementary Information*

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

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

In accordance with *Government Auditing Standards*, we will also issue a report on our consideration of the City of Oak Creek'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 of Oak Creek'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 of Oak Creek's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Milwaukee, Wisconsin  
July 30, 2021



## CITY OF OAK CREEK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and For the Year Ended December 31, 2020

As management of the City of Oak Creek (the City), we offer readers of the City of Oak Creek's financial statements this narrative overview and analysis of the financial activities of the City of Oak Creek for the fiscal year ended December 31, 2020. This discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position, identify material deviations from the approved budget, and identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the City's financial statements following this section.

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#### FINANCIAL HIGHLIGHTS

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When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. You can think of this relationship between revenues and expenses as the City's operating results and the net position, as measured in the Statement of Net Position, as one way to measure the City's financial health, or financial position. Over time, increases and decreases in the City's net position, as measured in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. However, the City's goal is to provide services that improve the quality of life for our residents, not to generate profits as companies do. For this reason, you will need to consider many other non-financial factors, such as the condition of our roads and infrastructure, in assessing the overall health of our City.

Combined governmental and business-type activities net position increased by 2.1% in 2020, to \$179.8 million. Of this amount, \$155.6 million represents the City's net investment in capital assets, while \$21.4 million was held for restricted purposes, and a balance of \$2.9 million was unrestricted.

At the end of 2020, the City's governmental activities reported total net position of \$52.5 million, including a deficit balance in unrestricted net position of \$25.7 million and the City's business-type activities reported total net position of \$127.3 million.

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#### OVERVIEW OF THE FINANCIAL STATEMENTS

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This discussion and analysis is intended to serve as an introduction to the City of Oak Creek's basic financial statements. The City of Oak Creek's basic financial statements are comprised of four components:

- *Management's discussion and analysis*
- *Basic financial statements*
  - Government-wide Financial Statements
  - Fund Financial Statements
  - Notes to the Financial Statements
- Required supplementary information
- Combining statements for non-major governmental funds



The basic financial statements include two kinds of statements presenting different views of the City:

*Government-wide financial statements* provide both long-term and short-term information about the City's overall financial status.

*Fund financial statements* focus on individual parts of city government and report the City's operations in more detail than the government-wide statements. The financial statements also include notes explaining some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information further explaining and supporting the information in the financial statements. In addition to these required elements, this financial report includes a section with combining statements providing details about the City's non-major governmental funds. The non-major funds are added together and presented in single columns in the basic financial statements.

### **Government-wide Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City of Oak Creek's finances, in a manner similar to a private-sector business and are presented in two statements, the Statement of Net Position and the Statement of Activities, which can be found on pages 1 - 2 of this report.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Oak Creek include general government, public safety, health and human services, public works, leisure activities (recreation and library), and conservation and development. The business-type activities of the City of Oak Creek include the water and sewer utility. Fiduciary activities, such as tax collection, are not included in the government-wide statements since these assets are not available to fund City programs.

The first of these government-wide statements is the Statement of Net Position. This is the citywide statement of position presenting information including all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City should extend to other non-financial factors such as the diversification of the tax base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the City's distinct activities or functions on revenues.

### **Fund Financial Statements**

The fund financial statements provide detailed information about the City's significant *funds*. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The City has three kinds of funds:

- **Governmental funds** – are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. The focus, however, is very different with fund statements providing a distinctive view of the City’s governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term. Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.
- **Proprietary funds** – are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City has two proprietary funds – water and sewer utilities. Proprietary fund statements offer short and long-term financial information about activities the City operates like a business. A second type of proprietary fund, the internal service fund, reports activities providing services to other City programs.
- **Fiduciary funds** – are reported in the fiduciary fund statements, but excluded from the government-wide reporting because these assets cannot be used to finance city operations. The City is the trustee, or fiduciary, for collection of all property taxes within the City for all taxing jurisdictions, including the Oak Creek-Franklin Joint School District, Milwaukee County, State of Wisconsin, Milwaukee Area Technical College, and Milwaukee Metropolitan Sewerage District.

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## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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Over time, 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.

**Net position.** The City’s combined net position increased by \$3.7 million from fiscal year 2019 to 2020, a change of 2.1%; this increase was comprised of a government-activities decrease of \$1.8 million, and a business-type activities increase of \$5.5 million. The City’s governmental activities and business-type activities have approximately 29% and 71%, respectively, of the combined net position.

Total net position of the City’s governmental activities decreased to \$52.5 million, a decrease of 3.3% from 2019 net position. The City’s net investment in capital assets represents 110.9% of the total. Restricted net position of \$19.9 million represents 37.9% of the total. Unrestricted net position deficit of \$25.7 million represents -48.8% of the total.

Total net position of the City’s business-type activities increased by 4.5% to \$127.3 million, including unrestricted net position of \$26.5 million, representing 20.8% of the total. All government and business-type activities are self-supporting entities; net position of one entity is not permanently used by other entities.





**Table 1**  
**City of Oak Creek, Wisconsin**  
**Summary Statement of Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$74,532,438	\$63,468,448	\$33,849,179	\$31,838,224	\$108,381,617	\$95,306,672
Capital assets (net)	<u>155,827,937</u>	<u>158,087,436</u>	<u>113,883,478</u>	<u>111,546,023</u>	<u>269,711,415</u>	<u>269,633,459</u>
Total assets	<u>230,360,375</u>	<u>221,555,884</u>	<u>147,732,657</u>	<u>143,384,247</u>	<u>378,093,032</u>	<u>364,940,131</u>
Deferred charge on refunding	-	-	107,588	11,874	107,588	11,874
Deferred amount related to pensions	11,299,127	14,530,180	1,036,277	1,421,262	12,335,404	15,951,442
Deferred amount related to OPEB	<u>4,864,022</u>	<u>3,821,437</u>	<u>347,952</u>	<u>294,348</u>	<u>5,211,974</u>	<u>4,115,785</u>
Total deferred outflows of resources	<u>16,163,149</u>	<u>18,351,617</u>	<u>1,491,817</u>	<u>1,727,484</u>	<u>17,654,966</u>	<u>20,079,101</u>
Current liabilities	4,592,406	5,865,972	1,241,227	1,255,411	5,833,633	7,121,383
Long-term liabilities	<u>137,665,995</u>	<u>140,335,640</u>	<u>19,326,359</u>	<u>21,135,400</u>	<u>156,992,354</u>	<u>161,471,040</u>
Total liabilities	<u>142,258,401</u>	<u>146,201,612</u>	<u>20,567,586</u>	<u>22,390,811</u>	<u>162,825,987</u>	<u>168,592,423</u>
Unearned revenue	35,595,949	30,044,235	-	-	35,595,949	30,044,235
Deferred amount related to pensions	14,514,357	7,331,836	1,230,333	722,697	15,744,690	8,054,533
Deferred amount related to OPEB	<u>1,612,929</u>	<u>1,977,196</u>	<u>122,051</u>	<u>166,092</u>	<u>1,734,980</u>	<u>2,143,288</u>
Total deferred inflows of revenues	<u>51,723,235</u>	<u>39,353,267</u>	<u>1,352,384</u>	<u>888,789</u>	<u>53,075,619</u>	<u>40,242,056</u>
<b>Net Position:</b>						
Net investment in capital assets	58,290,602	63,688,805	99,304,447	95,719,714	155,555,049	157,351,448
Restricted	19,905,286	13,341,890	1,530,766	809,794	21,436,052	14,151,684
Unrestricted (deficit)	<u>(25,654,000)</u>	<u>(22,678,073)</u>	<u>26,469,291</u>	<u>25,302,623</u>	<u>2,855,291</u>	<u>4,681,621</u>
Total net position	<u>\$52,541,888</u>	<u>\$54,352,622</u>	<u>\$127,304,504</u>	<u>\$121,832,131</u>	<u>\$179,846,392</u>	<u>\$176,184,753</u>
Net position - beginning of year	54,352,622	54,744,007	121,832,131	119,401,105	176,184,753	174,145,112
Change in net position	<u>(\$1,810,734)</u>	<u>(\$391,385)</u>	<u>\$5,472,373</u>	<u>\$2,431,026</u>	<u>\$3,661,639</u>	<u>\$2,039,641</u>
Percent change in net position	-3.3%	-0.7%	4.5%	2.0%	2.1%	1.2%



**Change in combined net position.**

The City had combined total revenues of \$70.7 million in 2020 and combined total expenses before transfers of \$67.0 million. After transfers, governmental activities had a decrease in net position of \$1.8 million, while business-type activities had an increase in net position of \$5.5 million. Table 2 and the following narrative consider the operations of governmental and business-type activities separately.

**Table 2  
City of Oak Creek, Wisconsin  
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 5,676,099	\$ 6,961,169	\$ 15,929,318	\$ 15,363,732	\$ 21,605,417	\$ 22,324,901
Operating grants & contributions	4,060,488	3,502,908	-	-	4,060,488	3,502,908
Capital grants & contributions	664,025	2,267,636	2,667,029	1,742,834	3,331,054	4,010,470
General revenues:						
Property taxes	29,351,393	25,706,234	-	-	29,351,393	25,706,234
Other taxes	1,023,022	1,425,101	-	-	1,023,022	1,425,101
Inter-governmental revenues not restricted to specific programs	6,730,404	6,631,412	-	-	6,730,404	6,631,412
Investment income	886,862	1,332,847	254,059	740,878	1,140,921	2,073,725
Miscellaneous	<u>3,421,156</u>	<u>3,026,154</u>	<u>7,682</u>	<u>(1,143)</u>	<u>3,428,838</u>	<u>3,025,011</u>
Total revenues	<u>51,813,449</u>	<u>50,853,461</u>	<u>18,858,088</u>	<u>17,846,301</u>	<u>70,671,537</u>	<u>68,699,762</u>
<b>EXPENSES</b>						
General government	9,145,722	9,446,813	-	-	9,145,722	9,446,813
Public safety	19,611,964	19,965,073	-	-	19,611,964	19,965,073
Health and social services	2,668,924	2,146,596	-	-	2,668,924	2,146,596
Public works	8,290,429	10,313,154	-	-	8,290,429	10,313,154
Leisure activities	2,655,185	2,644,053	-	-	2,655,185	2,644,053
Conservation and development	9,504,098	4,754,528	-	-	9,504,098	4,754,528
Interest and fiscal charges	3,547,699	3,705,196	-	-	3,547,699	3,705,196
Water utility	-	-	7,157,888	9,410,983	7,157,888	9,410,983
Sewer utility	-	-	<u>4,427,989</u>	<u>4,273,725</u>	<u>4,427,989</u>	<u>4,273,725</u>
Total expenses	<u>55,424,021</u>	<u>52,975,413</u>	<u>11,585,877</u>	<u>13,684,708</u>	<u>67,009,898</u>	<u>66,660,121</u>
Change in net position before transfer	(3,610,572)	(2,121,952)	7,272,211	4,161,593	3,661,639	2,039,641
Transfers	<u>1,799,838</u>	<u>1,730,567</u>	<u>(1,799,838)</u>	<u>(1,730,567)</u>	-	-
Change in net position	(1,810,734)	(391,385)	5,472,373	2,431,026	3,661,639	2,039,641
Net position, beginning of year	<u>54,352,622</u>	<u>54,744,007</u>	<u>121,832,131</u>	<u>119,401,105</u>	<u>176,184,753</u>	<u>174,145,112</u>
Net position, end of year	<u>\$ 52,541,888</u>	<u>\$ 54,352,622</u>	<u>\$127,304,504</u>	<u>\$121,832,131</u>	<u>\$179,846,392</u>	<u>\$176,184,753</u>



### **Governmental Activities**

The City of Oak Creek received a total of \$51.8 million in governmental activities revenues excluding transfers in 2020, up \$1.0 million when compared to 2019 revenues. As Table 2 indicates, the largest revenue source is the property tax, which accounts for \$29.4 million, or 56.6% of all governmental revenues. Property tax revenue in 2020 increased \$3.6 million due to significant new commercial and multifamily development within the City. The increase in tax revenue was due to increased values and revenues mainly within the city's tax incremental districts. As of this writing, the Legislature of the State of Wisconsin has imposed a permanent operating levy freeze, with the exception of new growth.

The next largest category of revenues is intergovernmental revenue with \$6.7 million (13.0%), followed by charges for service of \$5.7 million (11.0%), investment income and miscellaneous revenue for \$4.3 million (8.3%), operating grants and contributions account for \$4.1 million (7.8%), other taxes for \$1.0 million (2.0%) and capital contributions of \$0.7 million (1.3%).

Total governmental activities expenses were \$55.4 million in 2020, which were \$3.6 million less than revenues excluding transfers. At \$19.6 million, Public Safety, including Police, EMS, Inspection, and Fire services, accounts for the largest share of City expenses at 35.4%. This is followed by Conservation and Development with \$9.5 million or 17.1%, and General Government with \$9.1 million, representing 16.5%. The Public Works group, at \$8.3 million, is next with 15.0%, Health/Social Services at \$2.7 million (4.8%), and Leisure Activities with \$2.7 million (4.8%) complete the activities. Payment of interest and fiscal charges in the amount of \$3.5 million, accounts for 6.4% of total governmental activities expenses.

### **Business-type Activities**

The City of Oak Creek received \$18.9 million in business-type activities revenue during 2020 from its water and sewer utilities. Charges for services are by far the largest revenue sources for these operations, representing \$15.9 million of non-capital contribution revenues. Capital grants and contributions received were \$2.7 million in 2020, with interest and miscellaneous income accounting for the balance of revenues of \$0.3 million.

Net position of the City of Oak Creek's water and sewer utilities increased by \$5.5 million in 2020, which represents a 4.5% increase over the prior year's net position.

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

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### **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. In particular, the level of unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The basic governmental fund financial statements can be found on pages 3 - 6 of this report.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar



information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains thirty individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, EMS Fund, Debt Service Fund, Debt Amortization Fund, Capital Improvement Fund, TIF No. 8 and TIF No. 11, all of which are considered to be major funds. Data from the other twenty-three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* at the end of this report.

At the end of 2020, the combined fund balances for the City’s governmental funds was \$28.1 million. Of this total, \$1.7 million is nonspendable, \$15.0 million is restricted, \$1.2 million is committed and \$5.3 million is assigned. The balance of unassigned governmental fund balances is \$4.9 million. These funds are allocated across the following areas (in millions of dollars):

Unassigned Fund Balances (deficit):	
General Fund	\$6.503
Debt Service Fund	(0.735)
TIF No. 8 Capital Projects Fund	(0.818)
Future Improvements Fund	(0.003)
TIF No. 14 Capital Projects Fund	(0.021)
TIF No. 15 Capital Projects Fund	<u>(0.016)</u>
<b>Total</b>	<b><u>\$4.910</u></b>

**General Fund:** The general fund is the primary operating fund of the City.

- Total fund balance as of December 31, 2020 was \$10.0 million, of which \$1.8 million was assigned. Included in the assigned amount are tax equivalent dollars to be paid by the utility in 2020, and \$1.7 million is nonspendable which includes minor amounts for delinquent personal property taxes, non-current receivables, and inventories.
- Unassigned fund balance increased from 2019 to \$6.5 million. The unassigned fund balance is now approximately 21.0% of the general fund’s 2020 actual revenues and 2019 state shared revenues; this is within the City’s policy target range of 15-25% for the purposes of cash flow, stabilization, and emergency reserves.

**Emergency Medical Services Fund:** This special revenue fund is used to account for resources legally restricted to supporting the operations for the paramedic rescue program.

- Total fund balance as of December 31, 2020 increased to \$0.95 million.
- Total revenues for 2020 were \$5.2 million, which included \$3.7 million from taxes, \$1.4 million from public charges for services, and \$0.2 million of intergovernmental revenue.
- Total expenditures for the year were \$5.2 million.

**Capital Improvement Fund:** The general capital improvement fund is used to account for major capital improvement projects relating to City-owned capital assets and capital equipment.

- Total fund balance at the end of the year was \$3.5 million, an increase of \$0.49 million from 2019.



- Revenue sources provided \$2.7 million consisting of \$74,737 in intergovernmental grants, interest income, and miscellaneous revenue as well as \$2.6 million in interfund transfers to the capital improvement fund and \$49,596 from the sale of property.
- Expenditures in this fund totaled \$2.3 million in 2020. The largest expenses included new dump trucks, a salt bring manufacturing system, and repairs to infrastructure and the street lighting system throughout the city.

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### GENERAL FUND BUDGETARY HIGHLIGHTS

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The general fund budget is adopted at the department level of expenditure.

The City ended the year with a favorable variance in general fund revenues and favorable variance in expenditures. Revenues excluding other sources were above budget projections by approximately \$0.9 million, while expenditures excluding other uses were under budget by \$2.2 million. The expenditure outcome relates mainly to the lack of spending for the budgeted contingency in addition to retirements and vacant positions, which occurred throughout the year in the Police and Fire departments.

On the revenue side, conservative budgeting kept all categories quite close to budget. Year over year revenues were mostly stagnant, but the City did see a significant, unanticipated increase in state aids for the Routes to Recovery Program to respond to the COVID-19 pandemic. The City also saw higher investment earnings of \$214,264 over budget and building permit revenue of \$129,087 over budget. The short-term revenue outlook is stable with the exception of planned growth in the next few years. The state approved legislation will continue to limit taxation to growth alone and short-term interest rates will remain near all-time lows.

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### CAPITAL ASSETS AND DEBT ADMINISTRATION

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#### Capital Assets

As of December 31, 2020, the City reported combined capital assets of \$269.7 million. Of this amount, \$155.8 million, or 57.8%, is attributable to governmental activities, with the assets related to the City's land, buildings, equipment and street network. Total accumulated depreciation for both governmental and business type activities was calculated at \$122.9 million.

In 2020, the net capital assets of governmental activities decreased by \$2.3 million. Capital assets of business type activities increased by \$2.3 million.

**Table 3**  
**City of Oak Creek, Wisconsin**  
**Capital Assets, Net of Accumulated Depreciation**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and improvements	\$29,664,668	\$29,661,526	\$255,895	\$255,895	\$29,920,563	\$29,917,421
Intangible assets	-	-	72,088	82,520	72,088	82,520
Construction in progress	276,883	13,711	1,951,917	237,737	2,228,800	251,448
Buildings	34,596,123	35,821,253	-	-	34,596,123	35,821,253
Machinery and equipment	6,610,027	6,860,906	111,603,578	110,969,872	118,213,605	117,830,778
Infrastructure	84,680,236	85,730,041	-	-	84,680,236	85,730,041
Capital Assets Net of						
Depreciation	<u>\$155,827,937</u>	<u>\$158,087,437</u>	<u>\$113,883,478</u>	<u>\$111,546,024</u>	<u>\$269,711,415</u>	<u>\$269,633,461</u>



**Long-term Debt**

At year-end, the governmental activities had \$97.64 million in general obligation bonds and promissory notes, a decrease of \$0.2 million from last year. At the end of 2020, the business-type activities had a total of \$14.7 million in outstanding revenue bonds. The City’s general obligation bonds are rated Aa2 by Moody’s Investors Service, which has also rated the City’s short-term notes with a MIG1 rating. Revenue bonds of the water & sewer utilities are rated Aa2.

State law limits the City to issuing general obligation bonds totaling no more than 5% of the City’s equalized value. Based on the 2020 equalized value, this limit is \$210.8 million. The City currently has a combined total of \$97.64 million of general obligation notes and bonds outstanding, representing 46.3% of its legal debt capacity.

**Table 4  
City of Oak Creek, Wisconsin  
Notes and Bonds Outstanding**

	<u>Governmental Activities</u>		<u>Business Type-Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General Obligation Bonds and Notes	\$97,640,000	\$97,845,000	\$0	\$0	\$97,640,000	\$97,845,000
Revenue Bonds	-	-	14,671,210	15,773,047	14,671,210	15,773,047
Total	<u>\$97,640,000</u>	<u>\$97,845,000</u>	<u>\$14,671,210</u>	<u>\$15,773,047</u>	<u>\$112,311,210</u>	<u>\$113,618,047</u>

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**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

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The City of Oak Creek is located in southeastern Milwaukee County, and is one of only two municipalities in Milwaukee County with numerous tracts of vacant land. This location and land availability has contributed to the City’s rapid growth and strong economic position. The local economy has picked up over the last few years with growth expected to continue at Oak View Business Park and surrounding area, 13<sup>th</sup> and Drexel, Ryan Business Park, the land adjacent to IKEA as well as other locations throughout the City.

The City’s population and building permit information is provided below:

	Estimated 2020	Estimated 2019	Estimated 2018	Estimated 2017	Census 2010
City of Oak Creek	36,529	35,830	35,739	35,560	34,495
Milwaukee County	944,099	946,296	950,381	945,416	948,369
State of Wisconsin	5,854,594	5,843,443	5,816,231	5,783,278	5,686,986

Total New Construction Building Permits			Total Residential Building Permits	
Year	Number	Value	Number	Value
2020	105	\$90,944,057	89	\$23,505,498

The Oak Creek Common Council adopted the 2021 budget in November of 2020, which authorized general fund expenditures of \$27.5 million, a 3.0% increase from 2020. The tax levy for the City of Oak Creek is \$22.75 million, an increase of \$1.2 million from 2020 due to new construction. The mill rate for City services increased slightly by \$.07 in 2021, due to an increase in the tax levy. The total tax levy has remained essentially at the same level since 2009, with any increase limited to the amount generated by new growth to the tax base and closure of TIF districts.



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## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact the City of Oak Creek, 8040 S. 6<sup>th</sup> Street, Oak Creek, Wisconsin, 53154.

## **BASIC FINANCIAL STATEMENTS**



**City of Oak Creek**Statement of Net Position  
December 31, 2020

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Totals</b>
<b>Assets</b>			
Unrestricted cash and investments	\$ 25,686,390	\$ 30,840,055	\$ 56,526,445
Taxes receivable	36,052,918	-	36,052,918
Delinquent personal property taxes receivable	16,367	-	16,367
Accounts receivable, net	1,666,092	2,167,333	3,833,425
Special assessments receivable	366,711	84,811	451,522
Loans receivable	6,503	-	6,503
Other assets	-	42,090	42,090
Internal balances	1,053,436	(1,053,436)	-
Due from other governmental units	7,205	-	7,205
Prepays and inventories	135,438	212,372	347,810
Restricted assets:			
Cash and investments	4,602,402	1,139,770	5,742,172
Net pension asset	4,938,976	416,184	5,355,160
Capital assets:			
Land and land rights	25,080,554	255,895	25,336,449
Intangible assets	-	85,719	85,719
Construction in progress	276,883	1,951,917	2,228,800
Other capital assets, net of depreciation / amortization	130,470,500	111,589,947	242,060,447
<b>Total assets</b>	<b>230,360,375</b>	<b>147,732,657</b>	<b>378,093,032</b>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	-	107,588	107,588
Deferred amount related to pension	11,299,127	1,036,277	12,335,404
Deferred amount related to OPEB	4,864,022	347,952	5,211,974
<b>Total deferred outflows of resources</b>	<b>16,163,149</b>	<b>1,491,817</b>	<b>17,654,966</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	3,159,363	1,212,484	4,371,847
Deposits	476,901	-	476,901
Accrued interest	943,797	-	943,797
Unearned revenue	12,345	28,743	41,088
Noncurrent liabilities:			
Due within one year	7,240,671	1,116,046	8,356,717
Due in more than one year	130,425,324	18,210,313	148,635,637
<b>Total liabilities</b>	<b>142,258,401</b>	<b>20,567,586</b>	<b>162,825,987</b>
<b>Deferred Inflows of Resources</b>			
Unearned revenue	35,595,949	-	35,595,949
Deferred amount related to pension	14,514,357	1,230,333	15,744,690
Deferred amount related to OPEB	1,612,929	122,051	1,734,980
<b>Total deferred inflows of resources</b>	<b>51,723,235</b>	<b>1,352,384</b>	<b>53,075,619</b>
<b>Net Position</b>			
Net investment in capital assets	58,290,602	99,304,447	155,555,049
Restricted for debt service	-	1,114,582	1,114,582
Restricted for TID activity	4,679,464	-	4,679,464
Restricted for impact fees	4,529,651	-	4,529,651
Restricted for pensions	4,938,976	416,184	5,355,160
Restricted for other purposes	5,757,195	-	5,757,195
Unrestricted (deficit)	(25,654,000)	26,469,291	2,855,291
<b>Total net position</b>	<b>\$ 52,541,888</b>	<b>\$ 127,304,504</b>	<b>\$ 179,846,392</b>

See notes to financial statements

**City of Oak Creek**

Statement of Activities

Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>Governmental Activities</b>							
General government	\$ 9,145,722	\$ 1,632,493	\$ 682,548	\$ -	\$ (6,830,681)	\$ -	\$ (6,830,681)
Public safety	19,611,964	2,583,402	297,811	-	(16,730,751)	-	(16,730,751)
Health and social services	2,668,924	5,268	256,096	-	(2,407,560)	-	(2,407,560)
Public works	8,290,429	1,373,467	2,824,033	199,904	(3,893,025)	-	(3,893,025)
Leisure activities	2,655,185	81,469	-	-	(2,573,716)	-	(2,573,716)
Conservation and development	9,504,098	-	-	464,121	(9,039,977)	-	(9,039,977)
Interest and fiscal charges	3,547,699	-	-	-	(3,547,699)	-	(3,547,699)
Total governmental activities	55,424,021	5,676,099	4,060,488	664,025	(45,023,409)	-	(45,023,409)
<b>Business-Type Activities</b>							
Water utility	7,157,888	11,371,577	-	1,641,296	-	5,854,985	5,854,985
Sewer utility	4,427,989	4,557,741	-	1,025,733	-	1,155,485	1,155,485
Total business-type activities	11,585,877	15,929,318	-	2,667,029	-	7,010,470	7,010,470
Totals	\$ 67,009,898	\$ 21,605,417	\$ 4,060,488	\$ 3,331,054	(45,023,409)	7,010,470	(38,012,939)
<b>General Revenues</b>							
Taxes:							
					22,243,545	-	22,243,545
					1,186,844	-	1,186,844
					5,921,004	-	5,921,004
					1,023,022	-	1,023,022
					6,730,404	-	6,730,404
					886,862	254,059	1,140,921
					3,421,156	7,682	3,428,838
					1,799,838	(1,799,838)	-
					43,212,675	(1,538,097)	41,674,578
					(1,810,734)	5,472,373	3,661,639
					54,352,622	121,832,131	176,184,753
					\$ 52,541,888	\$ 127,304,504	\$ 179,846,392

See notes to financial statements

**City of Oak Creek**

Balance Sheet  
 Governmental Funds  
 December 31, 2020

	Special Revenue Fund		Debt Service Funds		Capital Projects Funds			Nonmajor Governmental Funds	Totals
	General Fund	Emergency Medical Services Fund	Debt Service Fund	Debt Amortization Fund	Capital Improvement Fund	TIF No. 8 Capital Projects Fund	TIF No. 11 Capital Projects Fund		
<b>Assets</b>									
Unrestricted cash and investments	\$ 8,310,958	\$ 809,223	\$ -	\$ 8,024	\$ 3,782,427	\$ -	\$ 654,618	\$ 10,606,771	\$ 24,172,021
Restricted cash and investments	-	-	-	-	-	-	-	4,602,402	4,602,402
Receivables:									
Taxes	15,265,315	3,874,240	1,085,000	-	-	1,939,657	3,684,558	10,204,148	36,052,918
Delinquent personal property taxes	16,367	-	-	-	-	-	-	-	16,367
Accounts, net	543,931	176,578	-	-	9,874	-	75,517	61,189	867,089
Due from other government	7,205	-	-	-	-	-	-	-	7,205
Special assessments	-	-	-	-	-	-	-	366,711	366,711
Loans	-	-	-	-	-	-	-	6,503	6,503
Due from other funds	3,407,481	-	-	-	-	-	-	314,900	3,722,381
Inventories	135,438	-	-	-	-	-	-	-	135,438
<b>Total assets</b>	<b>\$ 27,686,695</b>	<b>\$ 4,860,041</b>	<b>\$ 1,085,000</b>	<b>\$ 8,024</b>	<b>\$ 3,792,301</b>	<b>\$ 1,939,657</b>	<b>\$ 4,414,693</b>	<b>\$ 26,162,624</b>	<b>\$ 69,949,035</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>									
Liabilities:									
Accounts payable	\$ 453,558	\$ 28,635	\$ -	\$ -	\$ 89,079	\$ 1,845	\$ -	\$ 351,764	\$ 924,881
Accrued liabilities	1,801,973	2,894	-	-	-	-	-	34,644	1,839,511
Deposits	133,418	-	-	-	-	-	-	343,483	476,901
Due to other funds	362,773	-	735,295	-	211,717	815,774	-	672,974	2,798,533
<b>Total liabilities</b>	<b>2,751,722</b>	<b>31,529</b>	<b>735,295</b>	<b>-</b>	<b>300,796</b>	<b>817,619</b>	<b>-</b>	<b>1,402,865</b>	<b>6,039,826</b>
Deferred inflows of resources:									
Unearned revenues	14,914,308	3,874,240	1,085,000	-	-	1,939,657	3,684,558	10,098,186	35,595,949
Unavailable revenues	-	7,086	-	-	-	-	72,992	156,338	236,416
<b>Total deferred inflows of resources</b>	<b>14,914,308</b>	<b>3,881,326</b>	<b>1,085,000</b>	<b>-</b>	<b>-</b>	<b>1,939,657</b>	<b>3,757,550</b>	<b>10,254,524</b>	<b>35,832,365</b>
Fund balances (deficit):									
Nonspendable	1,746,068	-	-	-	-	-	-	-	1,746,068
Restricted	-	-	-	8,024	-	-	657,143	14,309,167	14,974,334
Committed	-	947,186	-	-	-	-	-	236,071	1,183,257
Assigned	1,771,473	-	-	-	3,491,505	-	-	-	5,262,978
Unassigned (deficit)	6,503,124	-	(735,295)	-	-	(817,619)	-	(40,003)	4,910,207
<b>Total fund balances (deficits)</b>	<b>10,020,665</b>	<b>947,186</b>	<b>(735,295)</b>	<b>8,024</b>	<b>3,491,505</b>	<b>(817,619)</b>	<b>657,143</b>	<b>14,505,235</b>	<b>28,076,844</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 27,686,695</b>	<b>\$ 4,860,041</b>	<b>\$ 1,085,000</b>	<b>\$ 8,024</b>	<b>\$ 3,792,301</b>	<b>\$ 1,939,657</b>	<b>\$ 4,414,693</b>	<b>\$ 26,162,624</b>	<b>\$ 69,949,035</b>

See notes to financial statements

## City of Oak Creek

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### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

Year Ended December 31, 2020

**Fund Balance, Total Governmental Funds** \$ 28,076,844

Amounts reported for governmental activities in the statement of net position  
are different because:

Capital assets used in governmental funds are not financial  
resources and, therefore, are not reported in the funds.

Land	25,080,554
Construction in progress	276,883
Other capital assets, net of depreciation / amortization	130,470,500

Some receivables that are not currently available are reported as unavailable  
revenue in the fund financial statements but are recognized as revenue  
when earned in the government-wide statements.

Special assessments	156,340
Accounts	80,077

Internal service funds are used by management to charge costs of insurance  
coverage to individual funds. The assets and liabilities of the internal service fund  
are included in government activities in the statement of net position.

2,035,643

The net pension asset does not relate to current financial resources and is not  
reported in the governmental funds.

4,938,976

Deferred outflows of resources related to pension do not relate to current financial  
resources and are not reported in the governmental funds.

11,299,127

Deferred inflows of resources related to pension do not relate to current financial  
resources and are not reported in the governmental funds.

(14,514,357)

Deferred outflows of resources related to other post employment benefits do not relate  
to current financial resources and are not reported in the governmental funds

4,864,022

Deferred inflows of resources related to other post employment benefits do not relate  
to current financial resources and are not reported in the governmental funds

(1,612,929)

Some liabilities, including long-term debt, are not due and payable in the current  
period and, therefore, not reported in the funds.

Bonds and notes payable	(97,640,000)
Unamortized debt premium	(2,086,939)
Other postemployment benefits	(36,465,362)
Vested compensated absences	(1,473,694)
Accrued interest	(943,797)

**Net Position of Governmental Activities**

**\$ 52,541,888**

**City of Oak Creek**

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended December 31, 2020

	Special Revenue Fund		Debt Service Funds		Capital Projects Funds			Nonmajor Governmental Funds	Totals
	General Fund	Emergency Medical Services Fund	Debt Service Fund	Debt Amortization Fund	Capital Improvement Fund	TIF No. 8 Capital Projects Fund	TIF No. 11 Capital Projects Fund		
<b>Revenues</b>									
Taxes	\$ 15,007,159	\$ 3,655,849	\$ 850,000	\$ -	\$ -	\$ 1,786,549	\$ 3,433,849	\$ 5,641,009	\$ 30,374,415
Intergovernmental	6,732,913	184,194	-	3,182,698	13,319	12,155	670	730,657	10,856,606
Regulation and compliance	1,824,059	-	-	-	-	-	-	-	1,824,059
Public charges for services	235,970	1,385,471	-	-	-	-	-	1,445,397	3,066,838
Special assessments/developer contributions	-	-	-	-	-	-	-	205,757	205,757
Investment income (loss)	513,701	2,750	-	31	26,257	-	25,291	62,699	630,729
Miscellaneous	137,244	10,615	-	-	35,161	-	-	3,177,590	3,360,610
Interdepartmental charges for services	371,538	-	-	-	-	-	-	-	371,538
<b>Total revenues</b>	<b>24,822,584</b>	<b>5,238,879</b>	<b>850,000</b>	<b>3,182,729</b>	<b>74,737</b>	<b>1,798,704</b>	<b>3,459,810</b>	<b>11,263,109</b>	<b>50,690,552</b>
<b>Expenditures</b>									
Current:									
General government	6,391,480	-	-	-	-	-	5,600	595,985	6,993,065
Public safety	11,481,686	5,153,939	-	-	-	-	-	1,250,693	17,886,318
Health and social services	385,034	-	-	-	-	-	-	2,156,486	2,541,520
Public works	4,250,478	-	-	-	-	-	-	2,126,027	6,376,505
Leisure activities	1,967,992	-	-	-	-	-	-	49,897	2,017,889
Conservation and development	-	-	-	-	-	175,000	5,308,781	2,780,934	8,264,715
Capital outlay	-	-	-	-	2,253,376	234,383	112,652	1,149,061	3,749,472
Debt service:									
Principal retirement	-	-	6,600,000	-	-	700,000	6,125,000	3,055,000	16,480,000
Interest and fiscal charges	-	-	1,392,348	-	-	342,301	1,491,527	401,934	3,628,110
<b>Total expenditures</b>	<b>24,476,670</b>	<b>5,153,939</b>	<b>7,992,348</b>	<b>-</b>	<b>2,253,376</b>	<b>1,451,684</b>	<b>13,043,560</b>	<b>13,566,017</b>	<b>67,937,594</b>
Excess (deficiency) of revenues over expenditures	345,914	84,940	(7,142,348)	3,182,729	(2,178,639)	347,020	(9,583,750)	(2,302,908)	(17,247,042)
<b>Other Financing Sources (Uses)</b>									
Long-term debt issued	-	-	-	-	-	-	5,070,000	6,295,000	11,365,000
Refunding debt issued	-	-	4,075,000	-	-	-	835,000	-	4,910,000
Premium on debt	-	-	361,324	-	-	-	-	-	361,324
Sale of property	27,087	-	-	-	49,596	-	-	-	76,683
Transfers in	1,807,444	-	2,898,375	-	2,618,040	-	-	577,042	7,900,901
Transfers out	(1,564,931)	-	-	(3,200,000)	-	-	-	(2,166,230)	(6,931,161)
<b>Total other financing sources (uses)</b>	<b>269,600</b>	<b>-</b>	<b>7,334,699</b>	<b>(3,200,000)</b>	<b>2,667,636</b>	<b>-</b>	<b>5,905,000</b>	<b>4,705,812</b>	<b>17,682,747</b>
Net change in fund balance	615,514	84,940	192,351	(17,271)	488,997	347,020	(3,678,750)	2,402,904	435,705
<b>Fund Balances (Deficit), Beginning</b>	<b>9,405,151</b>	<b>862,246</b>	<b>(927,646)</b>	<b>25,295</b>	<b>3,002,508</b>	<b>(1,164,639)</b>	<b>4,335,893</b>	<b>12,102,331</b>	<b>27,641,139</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 10,020,665</b>	<b>\$ 947,186</b>	<b>\$ (735,295)</b>	<b>\$ 8,024</b>	<b>\$ 3,491,505</b>	<b>\$ (817,619)</b>	<b>\$ 657,143</b>	<b>\$ 14,505,235</b>	<b>\$ 28,076,844</b>

See notes to financial statements

## City of Oak Creek

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2020

**Net Change in Fund Balances, Total Governmental Funds** \$ 435,705

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 net position the cost of these assets is capitalized and they are  
depreciated over their estimated useful lives with depreciation expense reported  
in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	3,749,472
Some items capitalized were not reported as capital outlay	260,709
Some amounts reported as capital outlay were not capitalized	(1,404,414)
Depreciation is reported in the government-wide statements	(3,739,140)
Net book value of disposed assets	(1,279,243)
Adjustment to capital assets	153,117

Receivables not currently available are reported as unearned revenue in the fund financial  
statements but are recognized as revenue when earned in the government-wide  
financial statements.

Special assessments	2,412
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Debt issued provides current financial resources to governmental funds,  
but issuing these obligations increases long-term liabilities in the statement of net  
position. Repayment of principal is an expenditure in the governmental funds, but the  
repayment reduces long-term liabilities in the statement of net position.

Principal repaid	16,480,000
Debt proceeds	(16,275,000)

Governmental funds report debt premiums, discounts and issuance costs as other  
financing sources (uses) or expenditures. However, in the statement of net position,  
these are deferred and reported as other assets or deductions from long-term debt.  
These are allocated over the period the debt is outstanding in the statement of activities  
and are reported as interest expense.

Premium on issued debt	(361,324)
Amortization of debt premium on debt issued	254,249

Part of net revenue of activities in the internal service fund is reported with governmental  
activities.

	1,328,338
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Some expenses in the statement of activities do not require the use of  
current financial resources and, therefore, are not reported as expenditures  
in the governmental funds.

Other postemployment benefits	(2,731,646)
Deferred outflows related to OPEBs	1,042,585
Deferred inflows related to OPEBs	364,267
Vest compensated absences	(32,449)
Accrued interest on debt	80,411
Net pension asset	10,274,791
Deferred outflows related to pensions	(3,231,053)
Deferred inflows related to pensions	(7,182,521)

**Change in Net Position of Governmental Activities** \$ (1,810,734)

See notes to financial statements

## City of Oak Creek

Statement of Net Position  
 Proprietary Funds  
 December 31, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Totals	
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 22,814,996	\$ 8,025,059	\$ 30,840,055	\$ 1,514,369
Customer accounts receivable	1,440,733	700,785	2,141,518	-
Other accounts receivable	23,603	2,212	25,815	799,003
Due from other funds	603,446	285,924	889,370	129,588
Unamortized debt issue costs	-	-	-	-
Due from other funds, advance	-	193,265	193,265	-
Prepaid and inventory	212,372	-	212,372	-
Restricted assets:				
Revenue bond redemption account	557,225	-	557,225	-
Total current assets	25,652,375	9,207,245	34,859,620	2,442,960
Noncurrent assets:				
Restricted assets:				
Revenue bond reserve account	565,545	-	565,545	-
Revenue bond depreciation account	17,000	-	17,000	-
Net pension asset	332,948	83,236	416,184	-
Total restricted assets	915,493	83,236	998,729	-
Capital assets:				
Land and land rights	242,750	13,145	255,895	-
Intangible assets	69,544	16,175	85,719	-
Construction in progress	218,208	1,733,709	1,951,917	-
Utility plant in service	123,211,241	46,872,713	170,083,954	-
Accumulated amortization	(13,631)	-	(13,631)	-
Accumulated depreciation	(45,528,130)	(12,952,246)	(58,480,376)	-
Total capital assets	78,199,982	35,683,496	113,883,478	-
Other assets:				
Property held for future use	5,000	-	5,000	-
Due from other funds, special assessments	65,734	19,077	84,811	-
Due from other funds, advance	-	1,787,489	1,787,489	-
Total other assets	70,734	1,806,566	1,877,300	-
Total assets	104,838,584	46,780,543	151,619,127	2,442,960
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	107,588	-	107,588	-
Deferred outflows related to OPEB	278,754	69,198	347,952	-
Deferred outflows related to pension	829,018	207,259	1,036,277	-
Total deferred outflows of resources	1,215,360	276,457	1,491,817	-
Total assets and deferred outflows of resources	106,053,944	47,057,000	153,110,944	2,442,960

See notes to financial statements

**City of Oak Creek**

Statement of Net Position  
Proprietary Funds  
December 31, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Totals	
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 242,036	\$ 785,403	\$ 1,027,439	\$ 394,972
Accrued payroll	32,258	1,695	33,953	-
Accrued interest payable	33,006	-	33,006	-
Due to other funds	1,942,806	-	1,942,806	-
Due to other funds, advance	193,265	-	193,265	-
Unearned revenue	28,743	-	28,743	12,345
Compensated absences	92,898	-	92,898	-
Revenue bonds payable net of unamortized premium	696,046	-	696,046	-
Liabilities payable from restricted assets:				
Accrued interest	25,188	-	25,188	-
Current portion of revenue bonds	420,000	-	420,000	-
Total current liabilities	<u>3,706,246</u>	<u>787,098</u>	<u>4,493,344</u>	<u>407,317</u>
Noncurrent liabilities:				
Other postemployment benefits obligation	1,881,198	478,351	2,359,549	-
Due to other funds, advance	1,787,489	-	1,787,489	-
Pollution remediation obligation	2,295,600	-	2,295,600	-
Revenue bonds, net of unamortized premiums	13,555,164	-	13,555,164	-
Total noncurrent liabilities	<u>19,519,451</u>	<u>478,351</u>	<u>19,997,802</u>	<u>-</u>
Total liabilities	<u>23,225,697</u>	<u>1,265,449</u>	<u>24,491,146</u>	<u>407,317</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to OPEB	97,645	24,406	122,051	-
Deferred inflows related to pension	984,267	246,066	1,230,333	-
Total deferred inflows	<u>1,081,912</u>	<u>270,472</u>	<u>1,352,384</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>24,307,609</u>	<u>1,535,921</u>	<u>25,843,530</u>	<u>407,317</u>
<b>Net Position</b>				
Net investment in capital assets	63,620,951	35,683,496	99,304,447	-
Restricted:				
Debt service	1,114,582	-	1,114,582	-
Pension	332,948	83,236	416,184	-
Unrestricted	16,677,854	9,754,347	26,432,201	2,035,643
Total net position	<u>\$ 81,746,335</u>	<u>\$ 45,521,079</u>	127,267,414	<u>\$ 2,035,643</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>37,090</u>	
Net position of business-type activities			<u>\$ 127,304,504</u>	

See notes to financial statements



**City of Oak Creek**

## Statement of Revenues, Expenses and Changes in Net Position

## Proprietary Funds

Year Ended December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Totals</b>	<b>Activities - Internal Service Fund</b>
<b>Operating Revenues</b>				
Charges for services and sales	\$ 10,940,155	\$ 4,527,918	\$ 15,468,073	\$ -
Other operating revenues	431,422	29,823	461,245	6,778,511
Total operating revenues	<u>11,371,577</u>	<u>4,557,741</u>	<u>15,929,318</u>	<u>6,778,511</u>
<b>Operating Expenses</b>				
Operation and maintenance	3,734,544	3,816,854	7,551,398	6,277,158
Depreciation/amortization	2,685,454	567,991	3,253,445	-
Taxes	100,987	43,144	144,131	-
Total operating expenses	<u>6,520,985</u>	<u>4,427,989</u>	<u>10,948,974</u>	<u>6,277,158</u>
Operating income (loss)	<u>4,850,592</u>	<u>129,752</u>	<u>4,980,344</u>	<u>501,353</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	149,364	104,695	254,059	1,882
Income (loss) from merchandising and jobbing	(20,345)	-	(20,345)	-
Interest expense and debt issuance costs	(606,048)	-	(606,048)	-
Amortization of bond premiums	(10,510)	-	(10,510)	-
Miscellaneous revenue	2,632	-	2,632	-
Gain on sale of capital assets	5,050	-	5,050	-
Total nonoperating revenues (expenses)	<u>(479,857)</u>	<u>104,695</u>	<u>(375,162)</u>	<u>1,882</u>
Income before contributions and transfers	4,370,735	234,447	4,605,182	503,235
<b>Capital Contributions</b>	1,641,296	1,025,733	2,667,029	-
<b>Transfers In</b>	-	-	-	830,098
<b>Transfers Out</b>	<u>(1,799,838)</u>	<u>-</u>	<u>(1,799,838)</u>	<u>-</u>
Change in net position	4,212,193	1,260,180	5,472,373	1,333,333
<b>Net Position, Beginning</b>	<u>77,534,142</u>	<u>44,260,899</u>		<u>702,310</u>
<b>Net Position, Ending</b>	<u>\$ 81,746,335</u>	<u>\$ 45,521,079</u>		<u>\$ 2,035,643</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>(1,143)</u>	
Change in net position of business-type activities			<u>\$ 5,471,230</u>	

See notes to financial statements

**City of Oak Creek**
**Statement of Cash Flows**
**Proprietary Funds**

Year Ended December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Totals</b>	<b>Activities - Internal Service Fund</b>
<b>Cash Flows From Operating Activities</b>				
Received from customers	\$ 11,016,353	\$ 4,523,187	\$ 15,539,540	\$ 6,060,725
Received from rents of water property	367,941	-	367,941	-
Received for nonoperating activities	29,462	-	29,462	-
Paid for refund of rents of water property	(30,600)	-	(30,600)	-
Received from miscellaneous sources	65,839	3,732	69,571	-
Paid for nonoperating activities	(49,807)	-	(49,807)	-
Paid to Milwaukee Metro Sewerage District for sewer user charges	-	(3,011,660)	(3,011,660)	-
Paid to Primary Government for tax equivalent	(1,730,567)	-	(1,730,567)	-
Paid to suppliers for goods and services	(2,167,231)	(437,786)	(2,605,017)	(6,222,670)
Paid to employees for services	(1,806,959)	(417,472)	(2,224,431)	-
Net cash flows from operating activities	<u>5,694,431</u>	<u>660,001</u>	<u>6,354,432</u>	<u>(161,945)</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Principal received from Water Utility, advance	-	117,865	117,865	-
Transfers in	-	-	-	830,098
Net cash flows from noncapital financing activities	<u>-</u>	<u>117,865</u>	<u>117,865</u>	<u>830,098</u>
<b>Cash Flows From Investing Activities</b>				
Investments purchased	(678,083)	(1,914,319)	(2,592,402)	-
Proceeds from sale of investments	3,254,263	1,796,089	5,050,352	-
Interest received from Water Utility, advance	-	39,455	39,455	-
Investment income	198,592	145,408	344,000	1,882
Net cash flows from investing activities	<u>2,774,772</u>	<u>66,633</u>	<u>2,841,405</u>	<u>1,882</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets	(1,519,448)	(1,725,149)	(3,244,597)	-
Proceeds received for acquisition and construction of capital assets	81,272	82,145	163,417	-
Special assessment proceeds	444,972	-	444,972	-
Cost of removal	5,050	-	5,050	-
Paid to escrow for advance refunding of debt	(195,783)	-	(195,783)	-
Principal payment to Sewer Utility, advance	(117,865)	-	(117,865)	-
Debt retired	(1,231,837)	-	(1,231,837)	-
Interest paid to Sewer Utility, advance	(36,780)	-	(36,780)	-
Interest paid	(461,827)	-	(461,827)	-
Net cash flows from capital and related financing activities	<u>(3,032,246)</u>	<u>(1,643,004)</u>	<u>(4,675,250)</u>	<u>-</u>
Net change in cash and cash equivalents	<u>5,436,957</u>	<u>(798,505)</u>	<u>4,638,452</u>	<u>670,035</u>
<b>Cash and Cash Equivalents, Beginning</b>	<u>17,750,075</u>	<u>6,534,399</u>	<u>24,284,474</u>	<u>844,334</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 23,187,032</u>	<u>\$ 5,735,894</u>	<u>\$ 28,922,926</u>	<u>\$ 1,514,369</u>

See notes to financial statements

**City of Oak Creek**

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Totals</b>	<b>Activities - Internal Service Fund</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities</b>				
Operating income (loss)	\$ 4,850,592	\$ 129,754	\$ 4,980,346	\$ 501,353
Nonoperating revenues (expenses)	(20,345)	-	(20,345)	-
Transfer out to general fund	(1,799,838)	-	(1,799,838)	-
Adjustments to reconcile operating income to net cash provided from operating activities				
Noncash items included in income:				
Amortization	10,432	-	10,432	-
Depreciation	2,675,022	617,577	3,292,599	-
Depreciation charged to other accounts	49,586	(49,586)	-	-
Changes in assets and liabilities and deferred outflows and inflows:				
Customer accounts receivable	(21,055)	(22,908)	(43,963)	-
Other accounts receivable	(3,716)	(5,010)	(8,726)	(739,317)
Due from other funds	-	(10,372)	(10,372)	313,882
Inventories	(23,041)	-	(23,041)	-
Pension	(15,256)	(3,815)	(19,071)	-
Construction in progress	-	-	-	-
Accounts payable and accrued liabilities	73,216	68,540	141,756	(237,863)
Accrued expenses	(30,077)	(9,627)	(39,704)	-
Pollution remediation obligation	-	-	-	-
Due to other funds	166,796	-	166,796	-
Net other post employment benefits obligation	(227,333)	(54,552)	(281,885)	-
Pollution remediation obligation	-	-	-	-
Unearned revenue	9,448	-	9,448	-
Net cash flows from operating activities	<u>\$ 5,694,431</u>	<u>\$ 660,001</u>	<u>\$ 6,354,432</u>	<u>\$ (161,945)</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position - Proprietary Funds</b>				
Cash and investments	\$ 22,814,996	\$ 5,735,894	\$ 28,550,890	\$ 1,514,369
Restricted cash and investments, current	557,225	2,289,165	2,846,390	-
Restricted cash and investments, noncurrent	582,545	-	582,545	-
Less investments not considered to be cash and cash equivalents	(767,734)	(2,289,165)	(3,056,899)	-
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 23,187,032</u>	<u>\$ 5,735,894</u>	<u>\$ 28,922,926</u>	<u>\$ 1,514,369</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
Interest income earned on noncash equivalents	\$ 43,021	\$ 42,254	\$ 85,275	\$ -
Market value adjustment on investments	\$ 6,207	\$ (2,877)	\$ 3,330	\$ -
Cost of capital assets installed and/or financed by developers	\$ 1,641,299	\$ 1,027,013	\$ 2,668,312	\$ -
Bond proceeds used in refunding of debt	\$ 4,705,000	\$ -	\$ 4,705,000	\$ -
Prepaid interest from bond refunding	\$ 111,978	\$ -	\$ 111,978	\$ -

See notes to financial statements

# City of Oak Creek

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2020

	<b>Custodial Fund</b>
	<b>Tax Collection Fund</b>
<b>Assets</b>	
Cash and investments	\$ 43,950,433
Property taxes receivable	16,085,889
	<hr/>
Total assets	60,036,322
	<hr/>
<b>Liabilities</b>	
Due to other taxing units	60,036,322
	<hr/>
<b>Net Position</b>	<b>\$ -</b>
	<hr/> <hr/>

See notes to financial statements

# City of Oak Creek

## Statement of Changes in Fiduciary Net Position

Fiduciary Fund

Year Ended December 31, 2020

	<u>Custodial Fund</u> <u>Tax Collection Fund</u>
<b>Additions</b>	
Tax collections	<u>\$ 45,503,870</u>
<b>Deductions</b>	
Payments to overlying districts	<u>45,503,870</u>
Change in fiduciary net position	-
<b>Net Position, Beginning</b>	<u>-</u>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>

See notes to financial statements

# City of Oak Creek

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December 31, 2020

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# City of Oak Creek

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Notes to Financial Statements

December 31, 2020

## 1. Summary of Significant Accounting Policies

The accounting policies of the City of Oak Creek, Wisconsin (the "City") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

### Reporting Entity

This report includes all of the funds of the City of Oak Creek. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The City has not identified any organizations that meet this criteria.

Component units are reported using one of two methods, discrete presentation, blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

### Government-Wide and Fund Financial Statements

#### Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

### **Fund Financial Statements**

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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

### **Governmental Funds**

The City reports the following major governmental funds:

#### **General Fund**

General Fund accounts for the City's primary operating activities. It is used to account for and report all financial resources except those required to be accounted for in another fund.

#### **Emergency Medical Services Fund - Special Revenue**

Emergency Medical Services Fund - Special Revenue Fund is used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the paramedic rescue program.



## City of Oak Creek

Notes to Financial Statements  
December 31, 2020

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### Debt Service Funds

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for the payment of general long-term debt principal, interest and related costs for debt related public works projects.

Debt Service - Debt Amortization Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for the payment of general long-term debt principal, interest and related costs.

### Capital Project Funds

Capital Projects - Capital Improvement Fund used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the capital improvement program.

Capital Projects - TIF No. 8 Capital Projects Fund - used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TID project plan.

Capital Projects - TIF No. 11 Capital Projects Fund - used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TID project plan.

### Enterprise Funds

The City reports the following major enterprise funds:

- Water Utility - accounts for operations of the water system.
- Sewer Utility - accounts for operations of the sewer system.

The City reports the following non-major governmental funds:

### Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

- Solid Waste Fund
- Donation and Activity Fund
- WE Energies Fund
- Low Income Loan Fund
- Special Assessment Fund
- Economic Development Fund
- Future Improvement Fund
- Impact Fee Escrow Fund
- Asset Forfeiture Fund
- Storm Water Fund
- Consolidated Dispatch Services Fund
- Tourism Commission Fund
- Park Escrow Fund

## City of Oak Creek

Notes to Financial Statements  
December 31, 2020

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### Debt Service Funds

Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for the payment of general long-term debt principal, interest and related costs

TIF No. 6 Debt Service Fund

### Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Developer Agreement Fund  
TIF No. 7 Capital Projects Fund  
TIF No. 10 Capital Projects Fund  
TIF No. 12 Capital Projects Fund  
TIF No. 13 Capital Projects Fund  
TIF No. 14 Capital Projects Fund  
TIF No. 15 Capital Projects Fund  
TIF No. 16 Capital Projects Fund

In addition, the City reports the following fund types:

### Internal Services Fund

Internal Service Fund is used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Health Insurance Fund

### Custodial Fund

Custodial Fund is used to account for and report assets controlled by the City and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Tax Collection Fund

## Measurement Focus, Basis of Accounting and Financial Statement Presentation

### Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

## City of Oak Creek

Notes to Financial Statements

December 31, 2020

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As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer utility and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### All Financial Statements

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

## **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity**

### **Deposits and Investments**

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of City funds is restricted by state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The City has adopted an investment policy. That policy contains the following guidelines for allowable investments.

### **Custodial Credit Risk**

Funds placed in any one depository institution that exceeds the amount of deposit insurance provided by an agency of the United States including demand deposits, time deposits and certificates of deposit must be 100 percent collateralized as to principal and accrued interest with securities that are obligations of the U.S. Government or its agencies and instrumentalities that are fully guaranteed by the U.S. Government or its agencies/instrumentalities. Securities held as collateral shall be delivered for safekeeping to a custodial bank selected by the City of Oak Creek. Securities held as collateral at the custodial bank will be marked to market at least monthly with a minimum value of 102 percent of deposit, with a monthly statement sent to the City Treasurer detailing all holdings. The Depository must enter into a security agreement with the City of Oak Creek.

When investing in repurchase agreements, the City shall require that collateral be pledged by the depository in an amount equal to or greater than the amount of the repurchase agreement the City has with such depository. The collateral shall be direct obligations of the United States or of its agencies/instrumentalities, if the payment of principal and interest is guaranteed by the federal government, or a commission, board or other instrumentality of the federal government.

## Credit Risk

Any security including commercial paper which matures or which may be tendered for purchase at the option of the holder within not more than seven years on the date 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 investor service 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.

## Concentration of Credit Risk

Consideration shall be given to the total amount of existing city funds which are already in such depository and or the capacity of the depository to handle the size of the deposit or investment. A ceiling may be established for individual financial institutions at each annual evaluation.

## Interest Rate Risk

Yield shall be the final determining factor of the investment decision.

Purchase obligations of the US Treasury and deposits into the Local Government Investment Pool and the BMO Investment Account shall not be subject to the bid process.

Securities shall not be sold prior to maturity with the following exceptions:

- a) A declining credit security could be sold early to minimize loss of principal.
- b) A security swap would improve the quality, yield or target duration in the portfolio.
- c) Liquidity needs of the portfolio require that the security be sold.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3 for further information.

## Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the city, taxes are collected for and remitted to the county government as well as the local school district, technical college district and the Milwaukee Metropolitan Sewerage District. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

# City of Oak Creek

## Notes to Financial Statements

December 31, 2020

### Property tax calendar - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due (50%)	January 31, 2021
Second installment due (25%)	March 31, 2021
Third installment due (25%)	May 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2023

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance nonspendable account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

The City has received grant funds for CDBG housing loan programs to qualified individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The City is no longer disbursing these funds. This activity is accounted for in the Low Income Loan Fund.

It is the City's policy to record unearned revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

### Prepays and Inventories

Governmental fund inventories, if material, are recorded at cost using the consumption method of accounting. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or for operation and maintenance expense when used.

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

# City of Oak Creek

Notes to Financial Statements

December 31, 2020

## Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

## Capital Assets

### Government -Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. There was no interest capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Years</u>
Buildings	30 - 50
Land improvements	20 - 30
Machinery and equipment	3 - 15
Utility system	15 - 100
Infrastructure	20 - 50
Intangibles	2 - 15

### Fund Financial Statements

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

## Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

# City of Oak Creek

Notes to Financial Statements

December 31, 2020

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the proprietary fund financial statements.

## Compensated Absences

Under terms of employment, employees are granted paid time off in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested paid time off is accrued when incurred in the government-wide and proprietary fund financial statements. 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 and are payable with expendable available resources.

Payments for paid time off will be made at rates in effect when the benefits are used. The liabilities at December 31, 2020 are determined on the basis of current salary rates and include salary related payments.

## Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is made up of the following issues:

<u>Name</u>	<u>Date</u>	<u>Original Principal Amount</u>	<u>Maturity</u>	<u>Principal Amount Outstanding at 12-31-20</u>
Marquette13 LLC and Tower13 LLC	12/29/17	\$ 6,300,000	12/1/37	<u>\$ 5,728,913</u>



**Pollution Remediation Obligations**

As of December 31, 2020, the City was obligated to address the future pollution cleanup activities at its water treatment plant site due to federal and state laws and regulations. The City's obligation originated in 2016 to address the pollution remediation because the government unit has been determined to be the responsible party which compels the City to participate in remediation. Examples of expected future remediation activity costs include legal services, site investigation and required post-remediation monitoring costs. The amount reported as a pollution remediation obligation represents the current value of the expected cash flows to be paid for these activities. Any expected recoveries would be treated separately as a receivable when such reimbursements become measurable. As of December 31, 2020, the obligation was \$2,295,600 with no related receivable. The City will recognize these liabilities and related expenses as an operating expense in the water utility financial statements only when such costs become measurable. Because of this, the liability is subject to change as the City becomes aware of new information which may affect its estimate. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

**Deferred Inflows of Resources**

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

**Equity Classifications**

**Government-Wide Statements**

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

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

The net position section includes an adjustment for capital assets owned by the business-type activities column but financed by debt of the governmental activities column. The amount is a reduction of "net investment in capital assets," and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Adjustment</b>	<b>Total</b>
Net investment in capital assets	\$ 58,290,602	\$ 99,304,447	\$ (2,040,000)	\$ 155,555,049
Unrestricted (deficit)	(25,654,000)	26,469,291	2,040,000	2,855,291

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

## Fund Statements

Governmental fund balances are displayed as follows:

- a. *Nonspendable* - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. *Restricted* - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. *Committed* - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Council that originally created the commitment.
- d. *Assigned* - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City Council has, by resolution, adopted a financial policy authorizing the City Administrator or Finance Director to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. *Unassigned* - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 15 percent to 25 percent of total general fund annual revenues plus the amount of state shared revenue during the previous year. General fund annual revenues were \$24,822,584 and the state shared revenue in the previous year was \$6,172,271 for a total of \$30,994,855. At year end, amounts available for working capital and included in unassigned general fund balance totaled \$6,503,124, or 21 percent.

**Pension**

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

**Postemployment Benefits Other Than Pensions (OPEB)**

**Health Insurance**

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the City OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

**Life Insurance**

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**2. Stewardship, Compliance and Accountability**

**Budgetary Information**

A budget has been adopted for the following funds in accordance with Wisconsin Statute 65.90.

General Fund	Debt Service Funds:
Special Revenue Funds:	Debt Service Fund
Emergency Medical Services Fund	Debt Amortization Fund
Solid Waste Funds	TIF No. 6 Debt Service Fund
Donation and Activity Fund	Capital Projects Fund:
WE Energies Fund	Capital Improvement Fund
Low Income Loan Fund	Developer Agreement Fund
Special Assessment Fund	TIF No. 7 Capital Projects Fund
Economic Development Fund	TIF No. 8 Capital Projects Fund
Future Improvement Fund	TIF No. 10 Capital Projects Fund
Impact Fee Escrow Fund	TIF No. 11 Capital Projects Fund
Asset Forfeiture Fund	TIF No. 12 Capital Projects Fund
Storm Water Fund	TIF No. 13 Capital Projects Fund
Consolidated Dispatch Services Fund	TIF No. 14 Capital Projects Fund
Tourism Commission Fund	TIF No. 15 Capital Projects Fund
	TIF No. 16 Capital Projects Fund

# City of Oak Creek

Notes to Financial Statements

December 31, 2020

## Excess Expenditures Over Appropriation

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Debt Service Fund	\$ 3,543,188	\$ 7,992,347	\$ (4,449,159)
Special Revenue Funds:			
Activity & Donation Fund	40,211	725,196	(684,985)
WE Energies Fund	2,186,541	2,199,955	(13,414)
Economic Development	90,880	209,095	(118,215)
Impact Fee Escrow	-	253,000	(253,000)
Capital Projects Funds:			
TIF #7	544,288	676,590	(132,302)
TIF #8	1,367,207	1,451,682	(84,475)
TIF #10	297,706	315,626	(17,920)
TIF #11	7,370,878	13,043,560	(5,672,682)
TIF #12	719,576	1,252,716	(533,140)
Developer Agreements Fund	-	37,522	(37,522)
TIF #13	402,500	729,519	(327,019)
TIF #14	1,091,250	1,139,077	(47,827)
TIF #15	10,000	22,100	(12,100)
TIF #16	437,500	3,217,211	(2,779,711)

The City controls expenditures at the fund level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

## Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2020, the following individual funds held a deficit balance:

Fund	Amount	Reason
Special Revenue Funds:		
Future Improvement Fund	\$ 2,500	Excess of expenditures over revenues
Debt Service Fund	735,295	Excess of expenditures over revenues
Capital Project Funds:		
TIF District No. 8	817,619	Excess of expenditures over revenues
TIF District No. 14	21,257	Excess of expenditures over revenues
TIF District No. 15	16,246	Excess of expenditures over revenues

The debt service fund deficit will be recovered through future tax levies.

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

# City of Oak Creek

Notes to Financial Statements

December 31, 2020

## Limitations on the City's Tax Levy

Wisconsin law limits the City's future tax levies. Generally the City is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

## 3. Detailed Notes on All Funds

### Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

The City's cash and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank and Investment Balances</u>	<u>Associated Risk</u>
Demand deposits	\$ 18,782,827	\$ 18,040,262	Custodial credit
U.S. treasuries	4,022,417	4,022,417	Custodial credit, interest rate and highly sensitive to interest rate changes
U.S. agencies	4,295,383	4,295,383	Credit, custodial credit, interest rate, highly sensitive to interest rate changes, concentration of credit
Securitized notes	50,110	50,110	Custodial Credit, Credit, Interest, Concentration of Credit
Municipal bonds	1,062,581	1,062,581	Custodial credit, credit, interest rate, concentration of credit, highly sensitive to interest rate changes
Government money market	85,837	85,837	Credit, Interest
Asset backed securities	500,000	500,000	Credit, custodial credit, interest rate, concentration of credit
Corporate bonds	3,658,218	3,658,218	Credit, custodial credit, interest rate, concentration of credit
Local Government Investment Pool	73,738,260	73,738,260	Credit
Petty cash	6,417	-	N/A
Total cash and investments	<u>\$ 106,202,050</u>	<u>\$ 105,453,068</u>	
Per statement of net position:			
Unrestricted cash and investments	\$ 56,526,445		
Restricted cash and investments	5,725,172		
Per statement of fiduciary net position:			
Custodial funds	43,950,433		
Total cash and investments	<u>\$ 106,202,050</u>		

## City of Oak Creek

Notes to Financial Statements

December 31, 2020

Deposits in each local and 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 \$400,000. 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.

The City has an agreement with Tri City National Bank, Oak Creek, where city deposits are collateralized by government securities owned by Tri City Capital Corp., a wholly owned investment subsidiary of Tri City National Bank. The investment portfolio is maintained with BMO Harris Bank, Milwaukee.

### Custodial Credit Risk

#### Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk.

#### Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As of December 31, 2020 the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poor's</u>	<u>Fitch Ratings</u>	<u>Moody's</u>
U.S. agencies	AA	AAA	AAA
Asset backed securities	A+ - AA	AA - AA	AA2
Securitized notes	AA+ - AAA	AAA	Aaa
Municipal bonds	AAA	AAA	Aaa
Government money markets	AAA	N/A	Aaa
Corporate bonds	A - AA	A - AA	BAA - AAA

The City also held investments in the following external pool which is not rated:

Local Government Investment Pool

## City of Oak Creek

Notes to Financial Statements

December 31, 2020

### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2020, the investment portfolio did not contain any single issuer in excess of 5 percent of total investments.

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2020, the City's investments were as follows:

Investment Type	Fair Value	Maturity (in Years)		
		Less Than 1 Year	1 - 10	> 10 Years
U.S. treasuries	\$ 4,022,417	\$ 1,314,002	\$ 2,708,415	\$ -
U.S. agencies	4,295,383	126,570	409,031	3,759,842
Asset backed securities	500,000	-	500,000	-
Corporate bonds	3,658,218	1,155,734	2,502,484	-
Securitized notes	50,110	-	50,110	-
Municipal bonds	1,062,581	65,765	599,989	396,827
Government money market	85,837	85,837	-	-
Total	\$ 13,674,546	\$ 2,747,888	\$ 6,770,029	\$ 4,156,669

### Fair Market Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The valuation method for recurring fair value measurements of investments is the quoted market prices approach.

The City's investments are categorized are as follows:

Investment Type	December 31, 2020			
	Level 1	Level 2	Level 3	Total
U.S. treasuries	\$ -	\$ 4,022,417	\$ -	\$ 4,022,417
U.S. agencies	-	4,295,383	-	4,295,383
Asset backed securities	-	500,000	-	500,000
Corporate bonds	-	3,658,218	-	3,658,218
Securitized notes	-	50,110	-	50,110
Municipal bonds	-	1,062,581	-	1,062,581
Government money market	-	85,837	-	85,832
Total	\$ -	\$ 13,674,546	\$ -	\$ 13,674,546

# City of Oak Creek

Notes to Financial Statements

December 31, 2020

## Investments Highly Sensitive to Interest Rate Changes Risk

At December 31, 2020, the City held \$4,002,417, \$4,295,383 and \$1,062,581 in U.S. treasuries, U.S. Agencies and municipal bonds, respectively. With all fixed income securities, as interest rates rise, the values will fall. The longer the time to maturity, the more sensitive the values will be to a change in interest rates. The longest time to maturity on any holdings is 3 years, maturing December 31, 2023.

## Receivables

Receivables as of year-end for the governmental-type individual major funds and nonmajor funds in the aggregate are as follows:

	<b>Total Net Receivables</b>	<b>Amounts Not Expected to be Collected Within One Year</b>
General Fund	\$ 15,832,818	\$ 16,367
Special Revenue - Emergency Medical Services Fund	4,050,818	-
Debt Service Fund	1,085,000	-
Capital Project - Capital Improvement Fund	9,874	-
Capital Projects Fund - TIF No. 8	1,939,657	-
Capital Projects Fund - TIF No. 11	3,760,075	-
Nonmajor Governmental Funds	10,638,551	366,711
Total	<u>\$ 37,316,793</u>	<u>\$ 383,078</u>

Revenues of the City are reported net of uncollectible amounts. Accounts receivable in the Emergency Medical Services Fund have been adjusted by \$292,611 for an allowance for uncollectible accounts. No other allowance is necessary at year-end.

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:

	<b>Unavailable</b>	<b>Unearned</b>
Property taxes and special charges receivable for subsequent year	\$ 35,595,949	\$ -
Accounts receivable not collected	-	80,077
Special assessments not yet due	-	156,339
Total unavailable/unearned revenue for governmental funds	<u>\$ 35,595,949</u>	<u>\$ 236,416</u>
Unearned revenue included in liabilities	\$ -	
Unearned revenue included in deferred inflows	<u>35,595,949</u>	
Total unearned revenue for governmental funds	<u>\$ 35,595,949</u>	



# City of Oak Creek

Notes to Financial Statements  
December 31, 2020

## Restricted Assets

The following represent the balances of the restricted assets:

### Long Term Debt Accounts

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.

### Impact Fee Account

The City has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

### Asset Forfeiture Account

The City has received asset forfeitures which must be used for specific purposes.

### Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2020:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Redemption account	\$ -	\$ 557,225	\$ 557,225
Reserve account	-	582,545	582,545
Impact fee account	4,529,651	-	4,529,651
Asset forfeiture account	72,751	-	72,751
Pension	4,938,976	416,184	5,355,160
Total	<u>\$ 9,541,378</u>	<u>\$ 1,555,954</u>	<u>\$ 11,097,332</u>

# City of Oak Creek

Notes to Financial Statements  
December 31, 2020

## Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 24,856,242	\$ 224,312	\$ -	\$ 25,080,554
Construction in progress	13,711	263,172	-	276,883
Total capital assets not being depreciated	<u>24,869,953</u>	<u>487,484</u>	<u>-</u>	<u>25,357,437</u>
Capital assets being depreciated/amortized:				
Land improvements	6,355,365	-	-	6,355,365
Buildings	46,540,339	-	-	46,540,339
Intangible asset - easements	5,400	-	-	5,400
Machinery and equipment	22,354,662	936,410	(417,124)	22,873,948
Bridges	286,370	-	-	286,370
Roads	80,333,640	391,998	(919,267)	79,806,371
Sidewalks	4,691,638	80,556	-	4,772,194
Street lighting	7,313,433	314,722	-	7,628,155
Storm sewers	26,063,725	547,714	-	26,611,439
Total capital assets being depreciated/amortized	<u>193,944,572</u>	<u>2,271,400</u>	<u>(1,336,391)</u>	<u>194,879,581</u>
Less accumulated depreciation/amortization for:				
Land improvements	(1,550,081)	(221,170)	-	(1,771,251)
Buildings	(10,719,086)	(1,225,130)	-	(11,944,216)
Intangible asset - easements	(5,400)	-	-	(5,400)
Machinery and equipment	(15,493,756)	(770,165)	-	(16,263,921)
Bridges	(34,368)	-	-	(34,368)
Roads	(13,425,748)	(701,514)	57,148	(14,070,114)
Sidewalks	(2,524,727)	(74,806)	-	(2,599,533)
Street lighting	(4,268,042)	(255,869)	-	(4,523,911)
Storm sewers	(12,705,880)	(490,486)	-	(13,196,367)
Total accumulated depreciation/amortization	<u>(60,727,089)</u>	<u>(3,739,140)</u>	<u>57,148</u>	<u>(64,409,081)</u>
Net capital assets being depreciated/amortized	<u>133,217,483</u>	<u>(1,133,373)</u>	<u>(1,279,243)</u>	<u>130,470,500</u>
Total governmental activities assets, net of accumulated depreciation/amortization	<u>\$ 158,087,436</u>	<u>\$ (980,256)</u>	<u>\$ (1,279,243)</u>	<u>\$ 155,827,937</u>

# City of Oak Creek

Notes to Financial Statements

December 31, 2020

Depreciation / amortization expense was charged to functions as follows:

## Governmental Activities

General government	\$ 847,002
Public safety	864,918
Health and social services	550
Public works	1,598,401
Leisure activities	428,269
	<u>428,269</u>

Total governmental activities depreciation / amortization expenses	<u>\$ 3,739,140</u>
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
<u>Water</u>				
Capital assets not being depreciated:				
Land and land rights	\$ 242,750	\$ -	\$ -	\$ 242,750
Construction in progress	127,458	208,602	117,852	218,208
	<u>370,208</u>	<u>208,602</u>	<u>117,852</u>	<u>460,958</u>
Total capital assets being depreciated				
Capital assets being depreciated/amortized:				
Source of supply	7,056,575	-	-	7,056,575
Pumping	8,998,507	-	-	8,998,507
Treatment	25,253,960	120,140	87,971	25,286,129
Transmission and distribution	74,403,514	2,648,527	96,534	76,955,507
Intangible	69,544	-	-	69,544
General	4,849,242	102,206	36,925	4,914,523
	<u>120,631,341</u>	<u>2,870,873</u>	<u>221,430</u>	<u>123,280,785</u>
Total capital assets being depreciated/amortized				
Total capital assets	<u>121,001,550</u>	<u>3,079,475</u>	<u>339,282</u>	<u>123,741,743</u>
Less accumulated depreciation for:				
Source of supply	(2,620,057)	(121,346)	-	(2,741,403)
Pumping	(5,209,424)	(261,949)	-	(5,471,373)
Treatment	(12,632,729)	(822,055)	(87,971)	(13,366,813)
Transmission and distribution	(19,385,814)	(1,276,448)	(96,534)	(20,565,728)
Intangible	(3,199)	(10,432)	-	(13,631)
General	(3,176,927)	(242,811)	(36,925)	(3,382,813)
	<u>(43,028,150)</u>	<u>(2,735,041)</u>	<u>(221,430)</u>	<u>(45,541,761)</u>
Total accumulated depreciation				
Net water plant	<u>\$ 77,973,400</u>	<u>\$ 344,434</u>	<u>\$ 117,852</u>	<u>\$ 78,199,982</u>

# City of Oak Creek

Notes to Financial Statements

December 31, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Sewer</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 13,145	\$ -	\$ -	\$ 13,145
Construction in progress	110,279	2,629,194	1,005,764	1,733,709
Total capital assets not being depreciated	<u>123,424</u>	<u>2,629,194</u>	<u>1,005,764</u>	<u>1,746,854</u>
Capital assets being depreciated/amortized:				
Intangibles	16,175	-	-	16,175
Collection system	45,044,807	992,531	-	46,037,338
Collection system pumping	242,170	-	-	242,170
General	604,254	13,316	24,365	593,205
Total capital assets being depreciated	<u>45,907,406</u>	<u>1,005,847</u>	<u>24,365</u>	<u>46,888,888</u>
Total capital assets	<u>46,030,830</u>	<u>3,635,041</u>	<u>1,030,129</u>	<u>48,635,742</u>
Less accumulated depreciation for:				
Collection system	(11,746,940)	(472,797)	-	(12,219,737)
Collection system pumping	(242,170)	-	-	(242,170)
General	(469,096)	(45,608)	(24,365)	(490,339)
Total accumulated depreciation	<u>(12,458,206)</u>	<u>(518,405)</u>	<u>(24,365)</u>	<u>(12,952,246)</u>
Net sewer plant	<u>\$ 33,572,624</u>	<u>\$ 3,116,636</u>	<u>\$ 1,005,764</u>	<u>\$ 35,683,496</u>
Business-type capital assets, net of depreciation	<u>\$ 111,546,024</u>	<u>\$ 3,461,070</u>	<u>\$ 1,123,616</u>	<u>\$ 113,883,478</u>

Depreciation expense was charged to functions as follows:

### Business-Type Activities

Water	\$ 2,685,454
Sewer	567,991
Total business-type activities depreciation/ amortization expense	<u>\$ 3,253,445</u>

Depreciation expense does not agree to the increase in accumulated depreciation due to joint metering, salvage and the cost of removal.

# City of Oak Creek

Notes to Financial Statements

December 31, 2020

## Interfund Receivables/Payables, Transfers and Advances

The following is a schedule of interfund receivables and payables and advances including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General fund	Water utility	\$ 1,813,218	\$ -
General fund	Debt service fund – Debt service fund	735,295	735,295
General fund	Capital projects fund – Developer Agreement fund	5,897	5,897
General fund	Capital projects fund – TIF #14 Capital projects fund	21,154	21,154
General fund	Capital projects fund – TIF #15 Capital projects fund	16,143	16,143
Special revenue fund - Economic development fund	Capital projects fund – TIF #7 Capital projects fund	314,900	314,900
General fund	Capital projects fund – TIF #8 Capital projects fund	815,774	815,774
Internal service fund - Health insurance fund	Water utility	129,588	129,588
Water utility	General fund	362,773	362,773
Sewer utility	Special revenue fund – Storm water fund	2,328	2,328
Sewer utility	Capital projects fund – Capital improvement fund	140,097	140,097
Sewer utility	Special revenue fund – Special assessment fund	143,499	143,499
Water utility	Capital projects fund – Capital Improvement fund	71,620	71,620
Water utility	Special revenue fund – Special assessment fund	<u>169,053</u>	169,053
Total - fund financial statements		4,741,339	
Less fund eliminations		<u>(3,687,903)</u>	
Total internal balances - government-wide statement of net position		<u><u>\$ 1,053,436</u></u>	

The principal purpose of these interfunds includes the tax equivalent payment from the utilities to general fund and special assessment collections by the special assessment fund for the utilities. Remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

# City of Oak Creek

Notes to Financial Statements

December 31, 2020

The following is a schedule of interfund transfers:

<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>	<u>Principal Purpose</u>
Water utility	General fund	\$ 1,799,838	Tax equivalent
General fund	Special revenue fund - Donation and activity fund	77,042	Library supplies
Special revenue fund - WE Energies	Capital projects fund - Capital improvement fund	1,000,624	Finance of capital projects
Special revenue fund - Tourism Fund	General fund	7,606	Tourism transfer
Special revenue fund - Storm water	Capital projects fund - Capital improvement fund	305,000	Finance of capital projects
Debt service funds - Debt amortization fund	Capital projects fund - Capital improvement fund	671,625	Street rehab
Debt service funds - Debt amortization fund	Debt service funds - Debt service	2,528,375	Finance debt
General fund	Debt service funds - Debt service	150,000	Finance debt
Special revenue fund - Economic development fund	Special revenue fund - Tourism Fund	100,000	Finance debt service requirements
Debt service funds - TID #6 debt service fund	Capital projects fund - TID #13 fund	400,000	Finance of capital projects
Special revenue fund – Impact fee fund	Debt service funds- Debt service	20,000	Finance of capital projects
General fund	Capital projects fund - Capital improvement fund	507,791	Reimburse capital projects
Special revenue fund - Fire Impact fee fund	Debt service funds- Debt service	100,000	Finance of capital projects
Special revenue fund - Impact fee fund	Capital projects fund - Capital improvement fund	133,000	Finance of capital projects
General fund	Internal service fund	830,098	Future health insurance
Capital projects fund - TID # 7 Capital projects fund	Debt service fund - Debt service fund	<u>100,000</u>	Finance debt service requirements
Subtotal - fund financials		8,730,999	
Less fund eliminations		<u>(6,931,161)</u>	
Total government- wide statement of activities		<u>\$ 1,799,838</u>	

# City of Oak Creek

Notes to Financial Statements  
December 31, 2020

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## Advances

The Sewer Utility advanced \$2,500,000 to the Water Utility, dated December 15, 2013, for various construction projects. This advance will be repaid through annual installment payments of principal and interest through December 15, 2028. The annual interest rate was set by the Commission at .34 percent and is variable thereafter based on the LGIP rate. Effective December 31, 2018, the Commission approved 2.62 percent as the interest rate on this advance.

The Utility's interfund loan repayment schedule to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>
Years ending December 31:		
2021	\$ 193,265	\$ 6,933
2022	218,923	6,256
2023	219,667	5,490
2024	220,414	4,721
2025	271,163	3,950
2026 - 2028	<u>857,322</u>	<u>5,880</u>
Total	<u>\$ 1,980,754</u>	<u>\$ 33,230</u>

# City of Oak Creek

Notes to Financial Statements

December 31, 2020

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation debt:					
Notes and bonds	\$ 97,845,000	\$ 16,275,000	\$ 16,480,000	\$ 97,640,000	\$ 6,670,000
Add unamortized debt premium	<u>1,979,864</u>	<u>361,324</u>	<u>254,249</u>	<u>2,086,939</u>	<u>-</u>
Subtotal	<u>99,824,864</u>	<u>16,636,324</u>	<u>16,734,249</u>	<u>99,726,939</u>	<u>6,670,000</u>
Other liabilities:					
Vested compensated absences	1,441,245	886,729	854,280	1,473,694	570,671
Net pension liability	5,335,815	-	5,335,815	-	-
Net OPEB liability – life	768,228	492,396	-	1,260,624	-
Total OPEB liability - health	<u>32,965,488</u>	<u>2,239,250</u>	<u>-</u>	<u>35,204,738</u>	<u>-</u>
Total other liabilities	<u>40,510,776</u>	<u>3,378,153</u>	<u>6,190,095</u>	<u>37,698,834</u>	<u>570,671</u>
Total governmental activities long-term liabilities	<u>\$ 140,335,640</u>	<u>\$ 20,014,477</u>	<u>\$ 22,924,344</u>	<u>\$ 137,665,995</u>	<u>\$ 7,240,671</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
Revenue bonds	\$ 15,773,047	\$ 4,705,000	\$ 5,806,837	\$ 14,671,210	\$ 1,116,046
Add unamortized debt premium	<u>2,497</u>	<u>-</u>	<u>2,497</u>	<u>-</u>	<u>-</u>
Subtotal	<u>15,775,544</u>	<u>4,705,000</u>	<u>5,809,334</u>	<u>14,671,210</u>	<u>1,116,046</u>
Other liabilities:					
Net pension liability	495,508	-	495,508	-	-
Net OPEB liability – life	131,169	59,987	-	191,156	-
Total OPEB liability - health	2,437,579	-	269,186	2,168,393	-
Pollution remediation obligation	<u>2,295,600</u>	<u>-</u>	<u>-</u>	<u>2,295,600</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 21,135,400</u>	<u>\$ 59,987</u>	<u>\$ 764,694</u>	<u>\$ 19,326,329</u>	<u>\$ 1,116,046</u>



# City of Oak Creek

Notes to Financial Statements

December 31, 2020

## General Obligation Debt

All governmental general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2020 was \$210,787,685. Total general obligation debt outstanding at year end was \$97,640,000.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/20</u>
<b>Governmental Activities</b>					
General obligation debt:					
G.O. notes and bonds					
2013 refunding bonds	4/2/13	4/01/32	2.00 -3.75%	\$ 5,825,000	\$ 4,200,000
2013A notes	4/2/13	4/01/23	1.00 -2.75%	3,000,000	975,000
2013E notes	12/30/13	12/01/22	1.00 -4.00%	10,000,000	6,875,000
2014B refunding bonds	12/16/14	5/01/32	2.00-3.375%	2,725,000	1,975,000
2015A refunding bonds	1/20/15	6/01/34	2.00 -4.00%	19,650,000	16,050,000
2016C refunding bonds	10/18/16	10/01/32	2.00 -4.00%	17,125,000	15,450,000
2016D refunding bonds	10/18/16	10/01/32	2.00-3.15%	5,925,000	5,300,000
2017B refunding bonds	8/1/17	3/1/37	3.85-4.00%	2,900,000	2,900,000
2018A refunding bonds	4/3/18	4/1/32	3.57-4.00%	8,900,000	8,500,000
2018B refunding bonds	8/30/18	4/1/27	2.00-4.00%	5,175,000	4,675,000
2018C refunding bonds	8/30/18	4/1/27	3.00-4.00%	5,140,000	4,690,000
2018D refunding bonds	11/27/18	10/1/32	3.95-4.25%	5,100,000	5,100,000
2019B refunding bonds	8/1/19	10/1/24	2.10-2.25%	1,030,000	825,000
2019C GO refunding bonds	8/1/19	10/1/36	3.00-4.00%	3,925,000	3,925,000
2020 GO refunding bond	1/6/20	4/1/30	3.00-4.00%	4,075,000	4,000,000
2020 GO Promissory Note	1/6/20	4/1/29	1.80-2.50%	1,135,000	1,135,000
2020 GO Refunding bond	4/1/20	10/1/29	1.90-2.40%	835,000	835,000
2020D GO refunding bond	4/1/20	10/1/23	1.75-1.95%	5,160,000	5,160,000
2020C GO refunding bond	4/1/20	10/1/29	1.75-2.70%	5,070,000	5,070,000
Total governmental activities - general obligation debt					<u>\$ 97,640,000</u>

# City of Oak Creek

Notes to Financial Statements

December 31, 2020

Debt service requirements to maturity for general obligation notes and bonds are as follows:

	<b>Governmental Activities General Obligation Notes and Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
Years ending December 31:		
2021	\$ 6,670,000	\$ 3,262,766
2022	7,415,000	2,948,410
2023	15,450,000	2,700,733
2024	6,430,000	2,251,383
2025	6,885,000	2,023,296
2026 - 2030	35,200,000	6,422,114
2031 - 2035	18,850,000	1,169,827
2036	740,000	20,159
Total	<u>\$ 97,640,000</u>	<u>\$ 20,798,687</u>

## Revenue Debt

The City has pledged future water and sewer revenues, net of specified operating expenses, to repay \$14,671,211 in revenue bonds. Proceeds from the bonds provided financing for capital improvements. The bonds are payable solely from revenues and are payable through May 1, 2034. The total principal and interest remaining to be paid on the bonds is \$1,691,434. Principal and interest paid for the current year and total customer net revenues were \$7,662,095 and \$5,249,979, respectively. Future principal and interest payments are expected to require 15 percent of net revenues.

Revenue debt payable at December 31, 2020 consists of the following:

## Business-Type Activities Revenue Debt

	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Balance 12/31/20</b>
Water utility revenue bonds	1/13/10	5/1/29	2.668%	\$ 791,863	\$ 424,435
Water utility revenue bonds	3/15/11	12/1/31	2.25 - 5.00%	6,500,000	350,000
Water utility revenue bonds	11/23/11	5/1/31	2.20%	5,889,583	3,552,960
Water utility revenue bonds	5/22/13	5/1/33	1.925%	2,594,795	1,796,725
Water utility revenue bonds	5/28/14	5/1/34	1.925%	4,850,988	3,842,090
Water utility revenue bonds	11/12/2020	12/1/31	1.67%	4,705,000	4,705,000
Total business-type activities revenue debt					<u>\$ 14,671,210</u>

# City of Oak Creek

Notes to Financial Statements

December 31, 2020

Debt service requirements to maturity are as follows:

	Business-Type Activities Revenue Debt		Business-Type Activities Revenue Debt - Direct Placement	
	Principal	Interest	Principal	Interest
Years ending December 31:				
2021	\$ 420,000	\$ 76,133	\$ 696,046	\$ 190,783
2022	425,000	59,618	710,555	176,121
2023	435,000	57,280	725,368	161,152
2024	450,000	54,235	740,493	145,868
2025	430,000	50,410	755,936	130,261
2026 - 2030	2,340,000	168,393	3,969,283	406,189
2031 - 2034	555,000	10,545	2,018,529	64,119
Total	<u>\$ 5,055,000</u>	<u>\$ 476,614</u>	<u>\$ 9,616,210</u>	<u>\$ 1,274,493</u>

## Other Debt Information

Estimated payments for vested compensated absences and other postemployment benefits are not included in the debt service requirement schedules. The vested compensated absences and other postemployment benefits liabilities attributable to governmental activities will be liquidated primarily by the general fund.

## Lease Disclosures

### Lessor - Operating Leases - Governmental Activities

The City has entered into an operating lease with AT&T Wireless to lease the premises of city property at 800 West Puetz Road. The term of the lease is 5 years commencing August 19, 2008. The lease shall be automatically renewed for three additional four year terms unless AT&T Wireless notifies Oak Creek of its intention not to renew. Future annual lease payments are as follows:

First term (years 1-5)	\$ 24,000
First renewal term (years 6-10)	27,600
Second renewal term (years 11-15)	31,740
Third renewal term (years 16-20)	36,501

### Lessor - Operating Leases - Business-type Activities

The water and sewer utility have entered into operating leases with Verizon Wireless (VW), Sprint Spectrum L.P. (SSLP), Cingular Wireless (CW) and Crown Castle (CC) for space on Utility reservoirs to be used for cellular antennas. These leases terminate on November 30, 2021 (VW), March 20, 2022 (SSLP), March 1, 2021 (CW), February 26, 2021 (CC), January 24, 2023 (CC), and January 31, 2028 (CW). Minimum future lease rentals are as follows:

2021	\$ 253,799
2022	110,788
2023	72,529
2024	73,726
2025	77,413
2026 - 2028	<u>173,908</u>
Total	<u>\$ 762,163</u>

### Current Refundings

On January 6, 2020, the City issued \$4,075,000 in general obligation bonds with an average coupon rate of 3.371646% to refund \$4,275,000 of outstanding debt with an average coupon rate of 4.20622%. The net proceeds were used to prepay the outstanding debt. The cash flow requirements on the refunded debt prior to the current refunding was \$5,427,328 from 2020 through 2030. The cash flow requirements on the refunding bonds are \$4,899,272 from 2020 through 2030. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$466,537.

On April 1, 2020, the City issued \$5,070,000 in general obligation bonds with an average coupon rate of 2.353182% to pay off the short term \$4,900,000 Taxable General Obligation Promissory Notes, Series 2017A dated July 6, 2017 with a coupon rate of 3.00%. The net proceeds were used to pay the principal and interest of the 2017A Notes at maturity.

On April 1, 2020, the City issued \$5,160,000 in general obligation bonds, the portion of \$2,905,000 was issued for Tax Incremental District No. 16 with an average coupon rate of 1.884923% to pay off the short-term \$2,850,000 Taxable General Obligation Promissory Note dated January 27, 2019 with a coupon rate of 2.89%. The net proceeds were used to pay the principal of the 2019 Notes on the call date of April 20, 2020.

### Advance Refunding

On November 18, 2020, the water utility issued bonds in the amount of \$4,705,00 with an average interest rate of 1.478% to advance refund \$4,575,000 of outstanding bonds with an average interest rate of 4.87%. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, that portion of the old bonds are considered defeased and the liability for that portion of the old bonds has been removed from the statement of net position.

The cash flow requirements on the old bonds prior to the advance refunding was \$6,165,569 from June 1, 2021 through December 1, 2031. The cash flow requirements on the new bonds are \$5,167,613 from June 1, 2021 through December 1, 2031. The advance refunding resulted in an economic gain of \$704,101.

# City of Oak Creek

Notes to Financial Statements  
December 31, 2020

## Net Position/Fund Balances

Net position reported on the government wide statement of net position at December 31, 2020 includes the following:

### Governmental Activities

Net investment in capital assets:

Land	\$ 25,080,554
Construction in progress	276,883
Other capital assets, net of accumulated depreciation	130,470,500
Less related long-term debt and premium outstanding (excluding noncapital debt)	(92,378,062)
Add unspent proceeds of capital-related debt included above	<u>1,534,319</u>
Total net investment in capital assets	<u>64,984,194</u>

Restricted:

TID activity	4,679,464
Storm Water	362,695
Donation and activity	1,685,314
Asset forfeiture	73,237
WE Energies	217,858
Special assessments	2,533,405
Economic development	761,921
Tourism commission	72,921
Developer agreements	25,024
Park escrow	16,995
Low income loans	7,825
Pension	4,938,976
Impact fees	<u>4,529,651</u>

Total restricted 19,905,286

Unrestricted (deficit) (25,654,000)

Total governmental activities net position \$ 52,541,888

## City of Oak Creek

Notes to Financial Statements  
December 31, 2020

Governmental fund balances reported on the fund financial statements at December 31, 2020 include the following:

### **Nonspendable Fund Balance:**

Major fund:

General Fund	
Inventories	\$ 135,438
Delinquent personal property taxes	16,367
Noncurrent receivables from other funds	<u>1,594,263</u>

Total nonspendable fund balance \$ 1,746,068

### **Restricted Fund Balance**

Major funds:

Debt service - debt amortization fund	\$ 8,024
Capital projects - TIF No. 11 capital projects fund	<u>657,143</u>

Total major funds 665,167

Nonmajor funds:

Special revenue funds:	
Donation and activity	1,685,314
We energies fund	217,858
Low income loan	7,825
Special assessments	2,533,405
Impact fee escrow	4,529,651
Asset forfeiture	73,237
Storm water	362,695
Economic development	761,921
Park escrow	16,995
Tourism commission	72,921

Debt service funds:

TIF No. 6 debt service	99,921
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Capital projects funds:

Developer Agreement	25,024
TIF No. 7 capital projects	46,550
TIF No. 10 capital projects	938,824
TIF No. 12 capital projects	2,586,438
TIF No. 13 capital projects	240,875
TIF No. 16 capital projects	<u>109,713</u>

Total nonmajor funds 14,309,167

Total restricted fund balance \$ 14,974,334

### **Committed Fund Balance**

Major funds:

Emergency Medical Services	\$ 947,186
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Nonmajor funds:

Special revenue funds	
Solid waste	147,995
Consolidated dispatch services	<u>88,076</u>

Total nonmajor funds 236,071

Total committed fund balance \$ 1,183,257

## City of Oak Creek

Notes to Financial Statements  
December 31, 2020

### Assigned Fund Balance

Major funds:	
General fund:	
Tax equivalent for subsequent year	\$ 1,771,473
Capital improvement fund	<u>3,491,505</u>
Total assigned fund balance	<u>\$ 5,262,978</u>

### Unassigned Fund Balance (Deficit)

Major funds:	
General fund	\$ 6,503,124
Debt service fund (deficit)	(735,295)
TIF No. 8 capital projects (deficit)	<u>(817,619)</u>
Total major funds	<u>4,800,210</u>
Nonmajor funds:	
Special revenue fund:	
Future improvement fund (deficit)	(2,500)
Capital projects funds:	
TIF No. 14 capital projects (deficit)	(21,257)
TIF No. 15 capital projects (deficit)	<u>(17,337)</u>
Total nonmajor funds	<u>(40,003)</u>
Total unassigned fund balance (deficit)	<u>\$ 4,910,207</u>

### Business-Type Activities

Net investment in capital assets:	
Land and land rights	\$ 255,895
Intangible assets, net of amortization	85,719
Construction in progress	1,951,917
Other capital assets, net of accumulated depreciation	111,589,946
Less payables and accruals for capital assets	(15,408)
Less related long-term debt outstanding (excluding unspent capital related debt proceeds, net of unamortized loss on debt refunding)	<u>(14,563,622)</u>
Total net investment in capital assets	<u>99,304,447</u>
Restricted:	
Debt service	1,114,582
Pension	<u>416,184</u>
Total restricted	<u>1,530,766</u>
Unrestricted	<u>26,469,291</u>
Total business-type activities net position	<u>\$ 127,304,504</u>

**4. Other Information**

**Employees' Retirement System**

**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, and expected to work at least 1,200 hours a year 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 Comprehensive Annual Financial Report which can be found at <http://etf.wi.gov/publications/cafr.htm>.

**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 State executive participants, if hired on or before 12/31/2016) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits.

Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.



## City of Oak Creek

Notes to Financial Statements

December 31, 2020

### Post-Retirement 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:

Year	Core Fund Adjustment	Variable Fund Adjustment
2010	(1.3)%	22.0%
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
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)

### 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 and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category 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 \$1,733,340 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2020 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

## City of Oak Creek

Notes to Financial Statements

December 31, 2020

### Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the City reported an asset of \$5,355,160 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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 asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.16607948 percent, which was an increase of 0.00217175 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$1,970,170.

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 9,852,3509	\$ 4,774,092
Changes in assumption	417,309	-
Net differences between projected and actual earnings on pension plan investments	-	10,947,853
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,888	22,745
Employer contributions subsequent to the measurement date	<u>2,046,857</u>	<u>-</u>
Total	<u>\$ 12,335,404</u>	<u>\$ 15,744,690</u>

\$2,046,857 reported as deferred outflows 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>Deferred Inflow of Resources and Deferred Inflows of Resources (Net)</u>
Years ending December 31:	
2021	\$ (1,608,754)
2022	(1,214,434)
2023	183,717
2024	(2,816,672)

# City of Oak Creek

Notes to Financial Statements

December 31, 2020

## Actuarial Assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*:	1.9%

- \* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9 percent is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 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>Core Fund Asset Class</b>	<b>Current Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %</b>
Global Equities	49%	8.0%	5.1%
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
<b>Variable Fund Asset Class</b>			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent  
Assets Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

**Single Discount Rate**

A single discount rate of 7.00 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (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, 2019. 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 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent 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 long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1% Decrease to Discount Rate (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase to Discount Rate (8.00%)</b>
City of Oak Creek's proportionate share of the net pension liability/(asset)	\$ 13,790,495	\$ (5,355,160)	\$ (19,668,740)

**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-reportsand-statements>.

At December 31, 2020, the City reported a payable to the pension plan of \$410,610 which represents contractually required contributions outstanding as of the end of the year.

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City purchases commercial insurance to provide coverage for losses from torts; theft of, damage to, or destruction of assets; errors and omission and workers compensation. Employee health and dental care are accounted for and financed by the City in the health insurance internal service fund, which includes commercial insurance and self-funding. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

## City of Oak Creek

Notes to Financial Statements

December 31, 2020

### Self-Insurance

For health claims, the uninsured risk of loss is \$100,000 deductible per individual and \$5,741,176 in the aggregate for a policy year. Claims in excess of those amounts are covered by specific reinsurance with an unlimited lifetime maximum reimbursement. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

All funds in the City participate in the health and dental insurance internal service fund. Amounts payable to the health insurance fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. At December 31, 2020, no amounts were designated for that reserve.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not yet reported. The City does not allocate overhead costs or other non-incremental costs to the claims liability.

### Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 3,198,020	\$ 645,180
Current year claims and changes in estimates	5,430,157	4,834,480
Claim payments	<u>(7,982,997)</u>	<u>(5,874,632)</u>
Unpaid claims - end of year	<u>\$ 645,180</u>	<u>\$ 394,972</u>

### Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC)

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 19, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC.

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The City does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Financial statements of WMIC and CVMIC are available from the WMIC / CVMIC administrative office.

The City pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the City's retained liability. The City's retained liability is limited to \$75,000 per occurrence and an annual aggregate limit of \$250,000.

## Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The City has active construction projects as of December 31, 2020. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

## Tax Incremental Financing

The City of Oak Creek through its Tax Incremental Financing Districts (TID) 7 has entered into a tax abatement agreement with developers in the form of a tax incremental financing incentive payment to stimulate economic development. The abatements are authorized through the TID project plan and development agreements. The developers guaranteed a property taxable value of \$10,200,000. The developers also pay property taxes as they become due, and after constructing the building as stated in the development agreements, are entitled to a future incentive payment that directly correlate to the taxes paid. The incentives are calculated based on the increment derived specifically from the parcels as stated in the developer agreement. The developer receives payments back of taxes paid less the base value \$3,000,000 or as much as can be received by October 1, 2024. Aggregate incentive payments for the year ended December 31, 2020 were \$335,447.

The City of Oak Creek through its Tax Incremental Financing District 8 has entered into a tax abatement agreement with developers in the form of a tax incremental financing incentive payment to stimulate economic development. The abatements are authorized through the TID project plan and development agreement. The developer received \$650,000 upon confirmation of job creation and City being awarded a grant. The developer pays property taxes as they become due, and after constructing the building as stated in the development agreement, is entitled to a future incentive payment that directly correlate to the taxes paid. The incentives are calculated based on the increment derived specifically from the parcels as stated in the developer agreement. The developer receives payments back of 75 percent taxes paid for 8 years (2023). Aggregate incentive payments for the year ended December 31, 2020 were \$227,203.

The City of Oak Creek through its Tax Incremental Financing Districts (TID) 10 has entered into a tax abatement agreement with developers in the form of a tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plan and development agreements. The developers guaranteed a 15 year lease of space and job retention. The developers are entitled to a future incentive payments that directly correlate to the taxes paid. The incentives are calculated based on the increment derived specifically from the parcels as stated in the developer agreement. The developer receives payments back of 75 percent taxes paid, up to \$1,800,000 or as much as can be received by October 1, 2023. Aggregate incentive payments for the year ended December 31, 2020 were \$288,926.

## City of Oak Creek

### Notes to Financial Statements

December 31, 2020

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The City of Oak Creek through its Tax Incremental Financing District 11 has entered into a tax abatement agreement with developers in the form of a tax incremental financing incentive payment to stimulate economic development. The abatements are authorized through the TID project plan and development agreement. The developer received \$5,300,000 upon ownership of said property and entering into construction contracts and the construction process and agreed to meet a minimum assessed value varying each year from 2016-2032 and thereafter. In the event that the minimum assessed value is not met, the developer has a minimum valuation shortfall obligation payable for that year, in an amount equal to the difference between the real estate taxes that would have been due and payable had such real estate taxes been determined using the minimum assessed values, and the actual real estate taxes. Aggregate incentive payments for the year ended December 31, 2020 were \$0, (\$5,300,000 was paid in 2015).

The City of Oak Creek through its Tax Incremental Financing District 11 has entered into a tax abatement agreement with developers in the form of a tax incremental financing incentive payment to stimulate economic development. The abatements are authorized through the TID project plans and development agreement. The developers received \$2,750,000 loan upon ownership of said property which will be paid back to the City beginning in 2021 (annually for 20 years). Additionally, the developer will receive a \$4,500,000 grant from the City for project costs once the construction process has begun and construction contracts are executed. The developer has agreed to meet a minimum assessed value of \$26,200,000 effective 2020 with a moderate increase each year the TID is open ending with a minimum assessed value of \$35,800,900 in 2032. Additionally in 2024 the developer will add another \$9 million in minimum assessed value for phase 3 of the development. In the event that the minimum assessed value is not met, the developer has a minimum valuation shortfall obligation payable for that year, in an amount equal to the difference between the real estate taxes that would have been due and payable had such real estate taxes been determined using the minimum assessed values, and the actual real estate taxes. Aggregate incentive payments for the year ended December 31, 2020 were \$0. (\$2,750,000 was paid in 2017).

The City of Oak Creek through its Tax Incremental Financing District 11 has entered into a tax abatement agreement with developers in the form of a tax incremental financing incentive payment to stimulate economic development. The abatements are authorized through the TID project plan and development agreement. The developer received \$2,500,000 upon beginning construction of a parking garage with 425 parking stalls. Once building permits are pulled for additional square footage of the medical facility (targeting 130,000 square foot) the developer will be paid \$65.80 per square foot up to an additional \$2,500,000. The City will in good faith effort work with the WEDC for a \$1,000,000 grant for the developer based on jobs, 425 parking stalls, and a 130,000 square foot facility. The developer agreed to meet a minimum assessed value varying each year from 2017-2032. In the event that the minimum assessed value is not met, the developer has a minimum valuation shortfall obligation payable for that year, in an amount equal to the difference between the real estate taxes that would have been due and payable had such real estate taxes been determined using the minimum assessed values, and the actual real estate taxes. Aggregate incentive payments for the year ended December 31, 2020 were \$0. (\$1,835,134 was paid in 2017).

The City of Oak Creek through its Tax Incremental Financing District 11 has entered into a tax abatement agreement with developers in the form of a tax incremental financing incentive payment to stimulate economic development. The abatements are authorized through the TID project plan and development agreement. The developer received \$1,450,000 upon ownership of said property and entering into construction contracts and the construction process and a hotel franchise agreement and the construction process and agreed to meet a minimum assessed value varying each year from 2015-2032. In the event that the minimum assessed value is not met, the developer has a minimum valuation shortfall obligation payable for that year, in an amount equal to the difference between the real estate taxes that would have been due and payable had such real estate taxes been determined using the minimum assessed values, and the actual real estate taxes. Aggregate incentive payments for the year ended December 31, 2020 were \$0.

## City of Oak Creek

Notes to Financial Statements

December 31, 2020

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The City of Oak Creek through its Tax Incremental Financing District 11 has entered into a tax abatement agreement with developers in the form of a tax incremental financing incentive payment to stimulate economic development. The abatements are authorized through the TID project plan and development agreement. The developer received \$1,680,051 upon ownership of said property and entering into construction contracts and the construction process and agreed to meet a minimum assessed value varying each year from 2015-2032. In the event that the minimum assessed value is not met, the developer has a minimum valuation shortfall obligation payable for that year, in an amount equal to the difference between the real estate taxes that would have been due and payable had such real estate taxes been determined using the minimum assessed values, and the actual real estate taxes. Aggregate incentive payments for the year ended December 31, 2020 were \$0.

The City of Oak Creek through its Tax Incremental Financing District 11 has entered into a tax abatement agreement with developers in the form of a tax incremental financing incentive payment to stimulate economic development. The abatements are authorized through the TID project plan and development agreement. The developer received \$1,319,949 upon ownership of said property and entering into construction contracts and the construction process and agreed to meet a minimum assessed value varying each year from 2015-2032. In the event that the minimum assessed value is not met, the developer has a minimum valuation shortfall obligation payable for that year, in an amount equal to the difference between the real estate taxes that would have been due and payable had such real estate taxes been determined using the minimum assessed values, and the actual real estate taxes. Aggregate incentive payments for the year ended December 31, 2020 were \$0.

The City of Oak Creek through its Tax Incremental Financing District 11 has entered into a tax abatement agreements with developers in the form of a tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans and development agreement. The developers will receive not to exceed \$900,000 upon ownership, build out of project and having reached the minimum assessed value: \$5 million in 2019 and \$8 million in 2020 and for the remaining life of the project. In the event that the minimum assessed value is not met, the developer has a minimum valuation shortfall obligation payable for that year, in an amount equal to the difference between the real estate taxes that would have been due and payable had such real estate taxes been determined using the minimum assessed values, and the actual real estate taxes. Aggregate incentive payments for the year ended December 31, 2020 were \$0.

The City of Oak Creek through its Tax Incremental Financing District 12 has entered into a tax abatement agreement with developers in the form of a tax incremental financing incentive payment to stimulate economic development. The abatements are authorized through the TID project plan and development agreement. The developers agree to invest roughly \$50,000,000 in economic development building a 300,000 square foot retail facility. The City and developer agree to City Financing not to exceed \$5,225,000 for infrastructure leading up to the developer's property. In each year, beginning 2017 and ending the last year of the district 2036, the City will receive a check from the developer for taxes on the property. The developer will receive the tax amount back less the annual bond payment for infrastructure, and less \$25,000 for administrative costs each year up to \$13,000,000. Aggregate incentive payments for the year ended December 31, 2020 were \$798,675.

### **Other Postemployment Benefits**

The City administers a single-employer defined contribution healthcare plan (the Retiree Health Plan). The plan provides health insurance benefits for eligible retirees through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees pay at established rates.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the city and the union.



**General Information About the OPEB Plan**

**Plan Description**

The City's defined benefit OPEB, Retiree Benefits Plan (RBP), provides OPEB for permanent full-time general and public safety employees of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 Statement 75.

**Benefits Provided**

The City of Oak Creek provides healthcare and life insurance benefits for retirees and their dependents based on the following:

**Utility**

Employees hired prior to 01/01/83 and retired prior to 12/31/06 pay the same as active and get benefits for life after retiring with 10 years of service. Employees hired 01/01/83 - 12/31/05 and retire prior to 12/31/05 pay 40 percent of the pre and post 65 premium after retiring with 10 years of service. Employees hired 01/01/83 - 12/31/05 and retire after 12/31/08 pay 20 percent of the pre 65 premium and are not eligible for post 65 coverage after retiring with 10 years of service. Employees hired after 12/31/05 pay 20 percent of the pre 65 premium and are not eligible for post 65 coverage after retiring with 15 years of service. No post 65 insurance for employees active on January 1, 2012 or later.

**Local 133 - General/Labor**

Employees hired prior to 12/31/05 need 10 years of service, after 12/31/05, 15 years of service are required. Employees hired prior to 01/01/09 are eligible for post 65 insurance. Those hired after 01/01/09 are not. Future retirees are required to pay 20 percent of the premium to participate in the plan. No Post 65 insurance employee's active January 1, 2012 or later. No future retirees from this group.

**Local 1848 - Firefighters**

Employees who attain 10 years of service who retired prior to May 4, 2010 shall be eligible for retiree level health insurance as of the prior bargaining agreement (5 percent). After May 4, 2010 retirees pay same as current employees (10 percent). No post 65 insurance available for employees hired after May 4, 2010. No post 65 insurance for employees active on January 1, 2012 or later.

**Police Supervisors**

Employees hired prior to 12/31/05 need 10 years of service, after 12/31/05, 15 years of service are required. Employees hired prior to 01/01/09 are eligible for post 65 insurance. Those hired after 01/01/09 are not. Future retirees are required to pay 10 percent of the premium to participate in the plan. No post 65 insurance for employees active on January 1, 2012 or later. No future retirees from this group.

# City of Oak Creek

Notes to Financial Statements  
December 31, 2020

## Police Officers

Employees hired prior to 12/31/05 need 10 years of service, after 12/31/05, 15 years of service are required. Employees hired prior to 01/01/09 are eligible for post 65 insurance. Those hire after 01/01/09 are not. Future retirees are required to pay 10 percent of the premium to participate in the plan. No post 65 insurance for employees active on January 1, 2012 or later.

## Dispatchers

Employees hired after 02/01/95 need 15 years of service. Employees who retired prior to 12/31/05 have post 65 Medicare supplemental insurance. Future retirees are required to pay 40 percent of the premium. No post 65 insurance for employees active on January 1, 2012 or later. No future retirees from this group.

## Non Represented

Employees hired prior to 01/01/06 need 10 years of service, after 12/31/05, 15 years of service are required. Employees hired before 07/01/83 who retired before 12/31/05 receive post 65 benefits and contribute 0 percent; those who retire before 12/31/11 pay 20 percent. Future retirees are required to pay 20 percent of the premium to participate in the plan.

- \* General and Police hired after 01/01/2015 and firefighters hired after 01/01/2016 are not eligible for retiree medical coverage under this plan.

## Employees Covered by Benefit Terms

At December 31, 2020 the following employees were covered by the benefit terms:

Inactive plan members and spouses currently receiving benefit payments	258
Active plan members	<u>172</u>
	<u><u>430</u></u>

## Total OPEB Liability

The City's total OPEB liability of \$37,373,131 was measured as of December 31, 2019 and was determined by an actuarial valuation as of January 1, 2020.

## City of Oak Creek

Notes to Financial Statements

December 31, 2020

### Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	Based on the "Long Term Healthcare Costs Trend Resource Model" created for the Society of Actuaries by Professor Thomas E. Getzen of Temple University
Salary increases	WRS assumption adopted by the Employee Trust Funds Board in connection with a study of experience during 2015-2017
Healthcare cost trend rates	Based on the "Long Term Healthcare Costs Trend Resource Model" created for the Society of Actuaries by Professor Thomas E. Getzen of Temple University
Retirees' share of benefit-related costs	See benefits table above

The discount rate was based on the Bond Buyer General Obligation 20-Year Tax Exempt Municipal Bond Yield.

Mortality rates were based on the Wisconsin 2018 Mortality table as the base table and project future improvements with 2018 generational improvement scale as adopted by the Board in connection with the 2015-2017 Experience Study by the Wisconsin Retirement System.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period 2015-2017

### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Balance at December 31, 2019	<u>\$ 35,403,067</u>
Charges for the year:	
Service cost	660,328
Interest	1,436,753
Changes in assumptions or other inputs	1,934,957
Benefit payments	<u>(2,061,974)</u>
Net changes	<u>1,970,064</u>
Balance at December 31, 2020	<u><u>\$ 37,373,131</u></u>

## City of Oak Creek

Notes to Financial Statements

December 31, 2020

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.74 percent) or 1-percentage-point higher 3.74 percent) than the current discount rate:

	<b>1% Decrease (1.74%)</b>	<b>Discount Rate (2.74%)</b>	<b>1% Increase (3.74%)</b>
Total OPEB liability	\$ 41,247,439	\$ 37,373,131	\$ 34,033,024

### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (2.12 percent decreasing to 1.12 percent) or 1-percentage-point higher (2.12 percent increasing to 3.12 percent) than the current healthcare cost trend rates:

	<b>1% Decrease (2.12% Decreasing to 1.12%)</b>	<b>Current Trend Rate (2.12%)</b>	<b>1% Increase (2.12% Increasing to 3.12%)</b>
Total OPEB liability	\$ 33,709,183	\$ 37,373,131	\$ 41,666,830

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020 the City recognized OPEB expense of \$2,289,266. At December 31, 2020 the City reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions or other inputs	\$ 2,138,662	\$ 1,490,866
Employer contributions - subsequent to the measurement date	2,479,754	.
Total	<u>\$ 4,618,416</u>	<u>\$ 1,490,866</u>

## City of Oak Creek

Notes to Financial Statements

December 31, 2020

\$2,479,754 reported as deferred outflows to OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2021. Amounts reported as deferred outflows of resource related to OPEB will be recognized in OPEB expense as follows:

	<b>Deferred Outflow of Resources and Deferred Inflows of Resources (Net)</b>
Years ending December 31	
2021	\$ 155,587
2022	155,587
2023	70,796
2024	88,958
2025	176,868

### Local Retiree Life Insurance Fund (LRLIF)

#### Plan Description

The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

ETF issues a standalone Comprehensive Annual Financial Report which can be found at <http://etf.wi.gov/publications/cafr.htm>.

#### 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

The LRLIF plan provides fully paid life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

#### Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contribution made during a member's working lifetime funds a post-retirement benefit.

## City of Oak Creek

Notes to Financial Statements

December 31, 2020

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates for the plan year reports as of December 31, 2020 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participation employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the plan year are as listed below:

Life Insurance Employee Contribution Rates for the Plan Year	
Attained Age	Basic
Under 30	\$0.05
30-34	0.06
34-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$6,163 in contribution from the employer.

### OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2020, the City reported a liability of \$1,451,780 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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 OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.34093800 percent, which was a decrease of 0.00757800 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized OPEB expense of \$106,177.

## City of Oak Creek

Notes to Financial Statements

December 31, 2020

At December 31, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 65,037
Net differences between projected and actual earnings on OPEB plan investments	27,385	-
Changes in assumptions	535,568	159,685
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,918	19,392
Employer contributions subsequent to the measurement date	<u>6,687</u>	<u>-</u>
Total	<u>\$ 593,558</u>	<u>\$ 244,114</u>

\$6,687 reported as deferred outflows related to OPEB resulting from the LRLIF Employers contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
Years ending December 31	
2021	\$ 59,791
2022	59,791
2023	56,838
2024	53,796
2025	42,728
Thereafter	69,813

## City of Oak Creek

Notes to Financial Statements

December 31, 2020

### Actuarial Assumptions

The net OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.74%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.87%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 actuarial valuation

### Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

### Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2019

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
US Credit Bonds	Barclays Credit	45%	2.12%
US Long Credit Bonds	Barclays Long Credit	5	2.90
US Mortgages	Barclays MBS	50	1.53
Inflation			2.20
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.



## City of Oak Creek

Notes to Financial Statements

December 31, 2020

**Single discount rate.** A single discount rate of 2.87% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

### Sensitivity of the City's Proportionate Share of the Net OPEB Liability Changes in the Discount Rate

The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 2.87 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	<b>1% Decrease to Discount Rate (1.87%)</b>	<b>Current Discount Rate (2.87%)</b>	<b>1% Increase to Discount Rate (3.87%)</b>
City's proportionate share of the net OPEB liability	\$ 2,004,666	\$ 1,451,780	\$ 1,031,142

### OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

### Power Generating Facility Mitigation Revenue

The City entered into an agreement with Wisconsin Energy Corporation (WEC). WEC is expanding its electric generating facilities within the City of Oak Creek by creating three new units. WEC is expected to pay the following annual mitigation payments to the City 30 days after the commencement of construction:

Elm Road Unit 1	\$ 1,500,000
Elm Road Unit 2	750,000
Elm Road Unit 3	250,000

The payments are required annually unless the Public Service Commission of Wisconsin determines that these payments may not be included in the rent payments of the facilities lease or a new unit ceases operation after start-up and is decommissioned.

In 2020, the City received \$2,250,000.

**Effect of New Accounting Standards on Current-Period Financial Statements**

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligation*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Relationships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

When they become effective, application of these standards may restate portions of these financial statements.

**Subsequent Events**

On May 20, 2021, the City issued \$3,945 million in Taxable General Obligation Promissory Notes (2021A) which will be used to current refund previously issued 2016 debt and for public purposes, including financing TID projects.

On July 28, 2021, the City issued \$16.22 million in Note Anticipation Notes (Series 2021B), which will be used to fund public purposes, including TID Projects.

**Relief though the American Rescue Plan Act**

The federal government passed the American Rescue Plan Act on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. The City's estimate award is \$3,802,085, which will be used to combat the negative effects of the public health emergency in the local economy. The City will receive 50% of the funds in June 2021, with the remaining expected a year later. The funds are to cover costs incurred by December 31, 2024.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Oak Creek**

Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
Year Ended December 31, 2020

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>			
Taxes:			
General property taxes	\$ 14,229,760	\$ 14,411,542	\$ 181,782
Motel room tax	457,000	457,000	-
Mobile home taxes	68,000	62,528	(5,472)
Other taxes	208,446	76,089	(132,357)
Total	<u>14,963,206</u>	<u>15,007,159</u>	<u>43,953</u>
Intergovernmental revenues:			
Shared taxes from state	2,981,206	2,980,110	(1,096)
State transportation aids	2,733,563	2,729,858	(3,705)
State computer aids	136,265	133,593	(2,672)
Other state aids	10,750	730,223	719,473
Health department block grant	-	52,633	52,633
Police grants	225,548	106,496	(119,052)
Total	<u>6,087,332</u>	<u>6,732,913</u>	<u>645,581</u>
Regulation and compliance:			
Licenses:			
Liquor and beer	63,200	59,783	(3,417)
Publishing fees	900	790	(110)
Operators	28,000	18,410	(9,590)
Amusement devices	8,500	6,165	(2,335)
Amusement operators	1,200	1,350	150
Miscellaneous, business	11,000	5,225	(5,775)
Miscellaneous, nonbusiness	75	25	(50)
DATCP	88,850	95,681	6,831
Late sanitarian license renewal	500	-	(500)
Sanitarian plan review	3,000	400	(2,600)
Permits:			
Building	452,000	581,087	129,087
Electrical	110,000	124,946	14,946
Plumbing	90,000	105,735	15,735
Street opening	7,500	12,584	5,084
Erosion control	12,500	12,526	26
Temp food	2,000	550	(1,450)
Sundry	500	-	(500)
Landscape, lighting & sign review	3,800	13,050	9,250
Cable TV	300,000	277,542	(22,458)
AT&T video service	160,000	107,288	(52,712)
Court fines	425,800	400,922	(24,878)
Total	<u>1,769,325</u>	<u>1,824,059</u>	<u>54,734</u>

See notes to required supplementary information

## City of Oak Creek

Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance With Final Budget
Public charges for services:			
General government			
Property status letter fees	\$ 8,000	\$ 13,480	\$ 5,480
Administrative fees	28,000	29,570	1,570
Photo copies sold	1,500	818	(682)
Zoning/housing appeal fees	800	1,000	200
Rezoning petitions and filing fees	2,500	6,975	4,475
Text amendment fees	500	-	(500)
Right of way vacation fees	575	1,000	425
Special use request fees	12,000	20,250	8,250
Filing fee - certified survey maps	7,000	6,050	(950)
Plan commission agenda fees	14,000	27,250	13,250
Map amendments	1,200	1,000	(200)
Subdivision plat fees	1,000	-	(1,000)
Maps sold	25	17	(8)
Public safety:			
State DWI seizures	1,500	-	(1,500)
Police patrol service fees	5,000	2,858	(2,142)
Miscellaneous fees	2,000	813	(1,187)
Copies of police and fire reports	3,000	1,051	(1,949)
False alarm penalties	7,500	11,700	4,200
Health and sanitation:			
Health Department:			
Clinic fees	9,000	1,471	(7,529)
Pet license fees/Humane Society	12,500	9,844	(2,656)
Public works:			
Weed cutting	8,000	1,108	(6,892)
Sale of culvert pipe	10,000	14,183	4,183
Culvert installation	1,200	2,800	1,600
Library:			
Other income	20,000	6,740	(13,260)
Photocopies	7,000	4,293	(2,707)
Recreation	140,000	64,367	(75,633)
Sanitarian:			
Regular service fee	7,000	3,397	(3,603)
Miscellaneous charges for services	2,000	3,935	1,935
Total	<u>312,800</u>	<u>235,970</u>	<u>(76,830)</u>
Investment income:			
Investments	220,000	434,264	214,264
Taxes	70,000	79,437	9,437
Total	<u>290,000</u>	<u>513,701</u>	<u>223,701</u>
Miscellaneous income:			
AT&T American tower lease	31,740	31,740	-
South Suburban Chamber Lease	12,000	10,000	(2,000)
Insurance incentives	25,000	85,442	60,442
Insurance recoveries	9,800	5,096	(4,704)
P-card rebates	20,000	12,982	(7,018)
Miscellaneous revenues	10,000	(8,016)	(18,016)
Total	<u>108,540</u>	<u>137,244</u>	<u>28,704</u>
Interfund charges for services:			
Engineering and administration charged to TID projects	275,000	275,000	-
Highway equipment service fee	43,680	15,182	(28,498)
Administrative services charged to enterprise funds	45,000	33,750	(11,250)
Miscellaneous charges for services	19,000	47,606	28,606
Total	<u>382,680</u>	<u>371,538</u>	<u>(11,142)</u>
Total revenues	<u>23,913,883</u>	<u>24,822,584</u>	<u>908,701</u>

See notes to required supplementary information

**City of Oak Creek**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 Year Ended December 31, 2020

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Expenditures</b>			
General government:			
General government	\$ 3,965,578	\$ 2,928,736	\$ 1,036,842
Building maintenance	725,761	651,364	74,397
City administrator	289,971	296,771	(6,800)
Data processing	1,059,330	1,011,500	47,830
City clerk	219,003	228,523	(9,520)
Treasurer	206,544	204,366	2,178
Finance	388,419	366,565	21,854
Assessor	218,115	216,280	1,835
Attorney and legal	253,839	179,881	73,958
Community development	304,655	307,494	(2,839)
<b>Total</b>	<b>7,631,215</b>	<b>6,391,480</b>	<b>1,239,735</b>
Public safety:			
Police department	9,032,901	8,599,587	433,314
Emergency operations	19,010	139,596	(120,586)
Fire department	2,035,084	2,099,275	(64,191)
Inspection	563,603	542,249	21,354
Other	101,734	100,979	755
<b>Total</b>	<b>11,752,332</b>	<b>11,481,686</b>	<b>270,646</b>
Health and social services:			
Health department	508,456	385,034	123,422
<b>Total</b>	<b>508,456</b>	<b>385,034</b>	<b>123,422</b>
Public works:			
Engineering	772,073	639,251	132,822
Streets	3,805,126	3,611,227	193,899
<b>Total</b>	<b>4,577,199</b>	<b>4,250,478</b>	<b>326,721</b>
Leisure activities:			
Conservation and recreation	620,390	472,442	147,948
Library	1,027,864	952,542	75,322
Parks	577,462	543,008	34,454
<b>Total</b>	<b>2,225,716</b>	<b>1,967,992</b>	<b>257,724</b>
<b>Total expenditures</b>	<b>26,694,918</b>	<b>24,476,670</b>	<b>2,218,248</b>
<b>Other Financing Sources (Uses)</b>			
Sale of property	20,000	27,087	7,087
Transfer in	25,000	7,606	(17,394)
Transfer in, tax equivalent	1,663,510	1,799,838	136,328
Transfer out	-	(1,564,931)	(1,564,931)
<b>Total other financing sources (uses)</b>	<b>1,708,510</b>	<b>269,600</b>	<b>(1,438,910)</b>
<b>Net change in fund balance</b>	<b>\$ (1,072,525)</b>	<b>615,514</b>	<b>\$ 1,688,039</b>
<b>Fund Balance, Beginning</b>		<b>9,405,151</b>	
<b>Fund Balance, Ending</b>		<b>\$ 10,020,665</b>	

See notes to required supplementary information

## City of Oak Creek

Required Supplementary Information  
Budgetary Comparison Schedule  
Emergency Medical Services Fund - Special Revenue Fund  
Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 3,655,849	\$ 3,655,849	\$ -
Intergovernmental	138,390	184,194	45,804
Public charges for services	1,430,196	1,385,471	(44,725)
Investment income	5,000	2,750	(2,250)
Misc revenue	-	10,615	10,615
	<u>5,229,435</u>	<u>5,238,879</u>	<u>9,444</u>
<b>Expenditures</b>			
Current:			
Public Safety	<u>5,229,435</u>	<u>5,153,939</u>	<u>75,496</u>
	<u>5,229,435</u>	<u>5,153,939</u>	<u>75,496</u>
Net change in fund balance	<u>\$ -</u>	84,940	<u>\$ 84,940</u>
<b>Fund Balance, Beginning</b>		<u>862,246</u>	
<b>Fund Balance, Ending</b>		<u>\$ 947,186</u>	

See notes to required supplementary information

**City of Oak Creek**

## Schedule of Changes in the Total OPEB Liability and Related Ratios -

City Retiree Benefits Plan

Year Ended December 31, 2020

	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 649,113	\$ 717,788	\$ 660,328
Interest	1,366,954	1,288,751	1,436,753
Changes in benefit terms	-	-	-
economic/demographic gains or losses	-	-	570,464
Changes in assumptions or other inputs	1,253,995	(2,314,550)	1,364,493
Benefit payments	<u>(2,022,000)</u>	<u>(2,052,298)</u>	<u>(2,061,974)</u>
Net change in total OPEB Liability	1,248,062	(2,360,309)	1,970,064
<b>Total OPEB Liability, Beginning</b>	<u>36,515,314</u>	<u>37,763,376</u>	<u>35,403,067</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 37,763,376</u>	<u>\$ 35,403,067</u>	<u>\$ 37,373,131</u>
Covered-employee payroll	<u>\$ 19,862,279</u>	<u>\$ 20,287,297</u>	<u>\$ 21,579,696</u>
Total OPEB liability as a percentage of covered-employee payroll	190.13%	174.51%	173.19%

*See notes to required supplementary information*



**City of Oak Creek****Schedule of Proportionate Share of the Net OPEB Liability**

Local Retiree Life Insurance Fund

Year Ended December 31, 2020

<b>Plan Fiscal Year Ending</b>	<b>Proportion of the Net OPEB Liability</b>	<b>Proportionate Share of the Net OPEB Liability</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
12/31/17	0.34563500%	\$ 1,039,871	\$ 14,534,940	7.15%	44.81%
12/31/18	0.34855800%	899,397	18,848,000	4.77%	48.69%
12/31/19	0.34093800%	1,451,780	19,090,000	7.60%	37.58%

**City of Oak Creek****Schedule of Employer Contributions - Local Retiree Life Insurance Fund**

Year Ended December 31, 2020

<b>City Fiscal Year Ending</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
12/31/18	\$ 7,611	\$ 7,611	\$ -	\$ 15,601,884	0.05%
12/31/19	7,463	7,463	-	17,915,500	0.04%
12/31/20	6,687	6,687	-	19,083,901	0.04%

*See notes to required supplementary information*

**City of Oak Creek**

Schedule of Proportionate Share of the Net Pension Liability (Asset) -  
 Wisconsin Retirement System  
 Year Ended December 31, 2020

<b>WRS Fiscal Year Ending</b>	<b>Proportion of the Net Pension Liability (Asset)</b>	<b>Proportionate Share of the Net Pension Liability (Asset)</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
12/31/14	0.16047000%	\$ (3,941,582)	\$ 17,775,702	22.17%	102.74%
12/31/15	0.15775509%	2,563,490	18,256,231	14.04%	98.20%
12/31/16	0.15582489%	1,284,369	18,758,850	6.85%	99.12%
12/31/17	0.15904145%	(4,722,129)	19,181,462	24.62%	102.93%
12/31/18	0.16307730%	5,831,323	19,887,692	29.32%	96.45%
12/31/19	0.16607948%	(5,355,160)	20,287,752	26.40%	102.96%

**City of Oak Creek**

Schedule of Employer Contributions - Wisconsin Retirement System  
 Year Ended December 31, 2020

<b>City Fiscal Year Ending</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
12/31/15	\$ 1,495,972	\$ 1,495,972	\$ -	\$ 18,256,231	8.19%
12/31/16	1,495,955	1,495,955	-	18,758,850	7.97%
12/31/17	1,663,744	1,663,744	-	19,136,951	8.69%
12/31/18	1,729,528	1,729,528	-	19,862,279	8.71%
12/31/19	1,850,459	1,850,459	-	20,287,297	9.12%
12/31/20	2,046,857	2,046,857	-	21,579,696	9.47%

## City of Oak Creek

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Notes to Required Supplementary Information  
December 31, 2020

### Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I.C.

A budget has been adopted for all governmental fund types. The budgeted amounts presented include any amendments made. The city administrator may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action. There were no supplemental appropriations during the year.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$0. Budgets are adopted at the function level of expenditure.

### Wisconsin Retirement System

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The City is required to present the last ten fiscal years data; however the standards allow the City to present as many years as are available until ten fiscal years are presented.

*Changes of benefit terms.* There were no changes of benefit terms for any participating employer in Wisconsin Retirement System.

*Changes of assumptions.* Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 - 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

### Other Postemployment Benefits - Health Insurance

The data presented in the Schedule of Changes in the Total OPEB Liability and Related Ratios was taken from the reports issued by the actuary.

The City is required to present the last ten fiscal years data; however the standards allow the City to present as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for the City.

*Changes in assumptions.* There were no changes in assumptions.

### Other Postemployment Benefits - Local Retiree Life Insurance Fund

The City is required to present the last ten fiscal years data; however the standards allow the City to present as many years as are available until ten fiscal years are presented.

Changes of benefit terms. There were no changes of benefit terms for any participating employer in LRLIF.

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 - 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Net OPEB Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

**SUPPLEMENTARY INFORMATION**

	Special Revenue Funds												
	Solid Waste Fund	Donation and Activity Fund	WE Energies Fund	Low Income Loan Fund	Special Assessment Fund	Economic Development Fund	Future Improvement Fund	Impact Fee Escrow Fund	Asset Forfeiture Fund	Storm Water Fund	Consolidated Dispatch Services Fund	Tourism Commission Fund	Park Escrow Fund
<b>Assets</b>													
Cash and investments	\$ 372,208	\$ 1,739,193	\$ 231,772	\$ 7,825	\$ 2,523,119	\$ 450,204	\$ 340,983	\$ -	\$ 486	\$ 380,432	\$ 76,842	\$ 74,741	\$ 16,995
Restricted cash and investments	-	-	-	-	-	-	-	4,529,651	72,751	-	-	-	-
Taxes receivable	1,448,769	-	-	-	105,962	-	-	-	-	1,070,706	1,437,760	-	-
Accounts receivable	50	916	27	-	-	-	-	-	-	-	29,275	-	-
Special assessments receivable	-	-	-	-	366,711	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	6,503	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	314,900	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,821,027</b>	<b>\$ 1,740,109</b>	<b>\$ 231,799</b>	<b>\$ 14,328</b>	<b>\$ 2,995,792</b>	<b>\$ 765,104</b>	<b>\$ 340,983</b>	<b>\$ 4,529,651</b>	<b>\$ 73,237</b>	<b>\$ 1,451,138</b>	<b>\$ 1,543,877</b>	<b>\$ 74,741</b>	<b>\$ 16,995</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>													
<b>Liabilities:</b>													
Accounts payable	\$ 222,746	\$ 54,795	\$ 4,706	\$ -	\$ -	\$ 2,750	\$ -	\$ -	\$ -	\$ 10,199		\$ 1,612	\$ -
Accrued liabilities	1,517	-	9,235	-	-	433	-	-	-	5,210	18,041	208	-
Deposits	-	-	-	-	-	-	343,483	-	-	-	-	-	-
Due to other funds	-	-	-	-	312,552	-	-	-	-	2,328	-	-	-
<b>Total liabilities</b>	<b>224,263</b>	<b>54,795</b>	<b>13,941</b>	<b>-</b>	<b>312,552</b>	<b>3,183</b>	<b>343,483</b>	<b>-</b>	<b>-</b>	<b>17,737</b>	<b>18,041</b>	<b>1,820</b>	<b>-</b>
<b>Deferred inflows of resources:</b>													
Unearned revenues	1,448,769	-	-	-	-	-	-	-	-	1,070,706	1,437,760	-	-
Unavailable revenues	-	-	-	6,503	149,835	-	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>1,448,769</b>	<b>-</b>	<b>-</b>	<b>6,503</b>	<b>149,835</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,070,706</b>	<b>1,437,760</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficit):</b>													
Restricted	-	1,685,314	217,858	7,825	2,533,405	761,921	-	4,529,651	73,237	362,695	-	72,921	16,995
Committed	147,995	-	-	-	-	-	-	-	-	-	88,076	-	-
Unassigned (deficit)	-	-	-	-	-	-	(2,500)	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>147,995</b>	<b>1,685,314</b>	<b>217,858</b>	<b>7,825</b>	<b>2,533,405</b>	<b>761,921</b>	<b>(2,500)</b>	<b>4,529,651</b>	<b>73,237</b>	<b>362,695</b>	<b>88,076</b>	<b>72,921</b>	<b>16,995</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 1,821,027</b>	<b>\$ 1,740,109</b>	<b>\$ 231,799</b>	<b>\$ 14,328</b>	<b>\$ 2,995,792</b>	<b>\$ 765,104</b>	<b>\$ 340,983</b>	<b>\$ 4,529,651</b>	<b>\$ 73,237</b>	<b>\$ 1,451,138</b>	<b>\$ 1,543,877</b>	<b>\$ 74,741</b>	<b>\$ 16,995</b>

**City of Oak Creek**

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2020

	Capital Projects Funds									Total Nonmajor Governmental Funds
	TIF No. 6 Debt Service Fund	Developer Agreement Fund	TIF No. 7 Capital Projects Fund	TIF No. 10 Capital Projects Fund	TIF No. 12 Capital Projects Fund	TIF No. 13 Capital Projects Fund	TIF No. 14 Capital Projects Fund	TIF No. 15 Capital Projects Fund	TIF No. 16 Capital Projects Fund	
<b>Assets</b>										
Cash and investments	\$ 100,024	\$ -	\$ 361,571	\$ 938,927	\$ 2,586,541	\$ 295,092	\$ -	\$ -	\$ 109,816	\$ 10,606,771
Restricted cash and investments	-	-	-	-	-	-	-	-	-	4,602,402
Taxes receivable	335,447	-	1,267,946	449,063	1,184,294	11,391	145,135	86,121	2,661,554	10,204,148
Accounts receivable	-	30,921	-	-	-	-	-	-	-	61,189
Special assessments receivable	-	-	-	-	-	-	-	-	-	366,711
Loans receivable	-	-	-	-	-	-	-	-	-	6,503
Due from other funds	-	-	-	-	-	-	-	-	-	314,900
<b>Total assets</b>	<b>\$ 435,471</b>	<b>\$ 30,921</b>	<b>\$ 1,629,517</b>	<b>\$ 1,387,990</b>	<b>\$ 3,770,835</b>	<b>\$ 306,483</b>	<b>\$ 145,135</b>	<b>\$ 86,121</b>	<b>\$ 2,771,370</b>	<b>\$ 26,162,624</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>										
Liabilities:										
Accounts payable	\$ 103	\$ -	\$ 121	\$ 103	\$ 103	\$ 54,217	\$ 103	\$ 103	\$ 103	\$ 351,764
Accrued liabilities	-	-	-	-	-	-	-	-	-	34,644
Deposits	-	-	-	-	-	-	-	-	-	343,483
Due to other funds	-	5,897	314,900	-	-	-	21,154	16,143	-	672,974
<b>Total liabilities</b>	<b>103</b>	<b>5,897</b>	<b>315,021</b>	<b>103</b>	<b>103</b>	<b>54,217</b>	<b>21,257</b>	<b>16,246</b>	<b>103</b>	<b>1,402,865</b>
Deferred inflows of resources:										
Unearned revenues	335,447	-	1,267,946	449,063	1,184,294	11,391	145,135	86,121	2,661,554	10,098,186
Unavailable revenues	-	-	-	-	-	-	-	-	-	156,338
<b>Total deferred inflows of resources</b>	<b>335,447</b>	<b>-</b>	<b>1,267,946</b>	<b>449,063</b>	<b>1,184,294</b>	<b>11,391</b>	<b>145,135</b>	<b>86,121</b>	<b>2,661,554</b>	<b>10,254,524</b>
Fund balances (deficit):										
Restricted	99,921	25,024	46,550	938,824	2,586,438	240,875	-	-	109,713	14,309,167
Committed	-	-	-	-	-	-	-	-	-	236,071
Unassigned (deficit)	-	-	-	-	-	-	(21,257)	(16,246)	-	(40,003)
<b>Total fund balances (deficit)</b>	<b>99,921</b>	<b>25,024</b>	<b>46,550</b>	<b>938,824</b>	<b>2,586,438</b>	<b>240,875</b>	<b>(21,257)</b>	<b>(16,246)</b>	<b>109,713</b>	<b>14,505,235</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 435,471</b>	<b>\$ 30,921</b>	<b>\$ 1,629,517</b>	<b>\$ 1,387,990</b>	<b>\$ 3,770,835</b>	<b>\$ 306,483</b>	<b>\$ 145,135</b>	<b>\$ 86,121</b>	<b>\$ 2,771,370</b>	<b>\$ 26,162,624</b>

**City of Oak Creek**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2020

	Special Revenue Funds												
	Solid Waste Fund	Donation and Activity Fund	WE Energies Fund	Low Income Loan Fund	Special Assessment Fund	Economic Development Fund	Future Improvement Fund	Impact Fee Escrow Fund	Asset Forfeiture Fund	Storm Water Fund	Consolidated Dispatch Services Fund	Tourism Commission Fund	Park Escrow Fund
<b>Revenues</b>													
Taxes	\$ 1,390,836	\$ -	\$ -	\$ -	\$ -	\$ 85,724	\$ -	\$ -	\$ -	\$ -	\$ 1,406,461	\$ 68,483	\$ -
Intergovernmental	94,175	210,584	-	-	-	-	-	-	-	-	288,167	-	-
Public charges for service	7,500	-	-	-	-	-	-	391,129	-	1,046,768	-	-	-
Special assessments / developer contributions	-	-	-	-	205,757	-	-	-	-	-	-	-	-
Investment income	1,022	2,381	1,243	-	16,166	566	-	21,656	14	1,122	642	125	-
Miscellaneous	54,430	151,519	2,250,000	-	-	-	-	-	24,153	-	-	61,502	2,227
<b>Total revenues</b>	<b>1,547,963</b>	<b>364,484</b>	<b>2,251,243</b>	<b>-</b>	<b>221,923</b>	<b>86,290</b>	<b>-</b>	<b>412,785</b>	<b>24,167</b>	<b>1,047,890</b>	<b>1,695,270</b>	<b>130,110</b>	<b>2,227</b>
<b>Expenditures</b>													
Current:													
General government	-	165,642	378	-	-	-	-	-	-	-	-	390,733	-
Public safety	-	46,340	1,198,953	-	-	-	-	-	5,400	-	-	-	-
Public works	1,513,781	-	-	-	-	-	-	-	-	612,246	-	-	-
Health and social services	-	463,317	-	-	-	-	-	-	-	-	1,693,169	-	-
Leisure activities	-	49,897	-	-	-	-	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	103,105	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	5,990	-	-	-	-	-	-	-
Debt service:													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,513,781</b>	<b>725,196</b>	<b>1,199,331</b>	<b>-</b>	<b>-</b>	<b>109,095</b>	<b>-</b>	<b>-</b>	<b>5,400</b>	<b>612,246</b>	<b>1,693,169</b>	<b>390,733</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	34,182	(360,712)	1,051,912	-	221,923	(22,805)	-	412,785	18,767	435,644	2,101	(260,623)	2,227
<b>Other Financing Sources (Uses)</b>													
Debt proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium on debt issue	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	77,042	-	-	-	-	-	-	-	-	-	100,000	-
Transfers out	-	-	(1,000,624)	-	-	(100,000)	-	(253,000)	-	(305,000)	-	(7,606)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>77,042</b>	<b>(1,000,624)</b>	<b>-</b>	<b>-</b>	<b>(100,000)</b>	<b>-</b>	<b>(253,000)</b>	<b>-</b>	<b>(305,000)</b>	<b>-</b>	<b>92,394</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>34,182</b>	<b>(283,670)</b>	<b>51,288</b>	<b>-</b>	<b>221,923</b>	<b>(122,805)</b>	<b>-</b>	<b>159,785</b>	<b>18,767</b>	<b>130,644</b>	<b>2,101</b>	<b>(168,229)</b>	<b>2,227</b>
<b>Fund Balances (Deficit), Beginning</b>	<b>113,813</b>	<b>1,968,984</b>	<b>166,570</b>	<b>7,825</b>	<b>2,311,482</b>	<b>884,726</b>	<b>(2,500)</b>	<b>4,369,866</b>	<b>54,470</b>	<b>232,051</b>	<b>85,975</b>	<b>241,150</b>	<b>14,768</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 147,995</b>	<b>\$ 1,685,314</b>	<b>\$ 217,858</b>	<b>\$ 7,825</b>	<b>\$ 2,533,405</b>	<b>\$ 761,921</b>	<b>\$ (2,500)</b>	<b>\$ 4,529,651</b>	<b>\$ 73,237</b>	<b>\$ 362,695</b>	<b>\$ 88,076</b>	<b>\$ 72,921</b>	<b>\$ 16,995</b>

**City of Oak Creek**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2020

	Capital Projects Funds									
	TIF No. 6 Debt Service Fund	Developer Agreements Fund	TIF No. 7 Capital Projects Fund	TIF No. 10 Capital Projects Fund	TIF No. 12 Capital Projects Fund	TIF No. 13 Capital Projects Fund	TIF No. 14 Capital Projects Fund	TIF No. 15 Capital Projects Fund	TIF No. 16 Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>										
Taxes	\$ 337,998	\$ -	\$ 698,098	\$ 444,499	\$ 954,763	\$ 7,562	\$ -	\$ 23,192	\$ 223,393	\$ 5,641,009
Intergovernmental	1,061	-	17,764	18,906	-	100,000	-	-	-	730,657
Public charges for service	-	-	-	-	-	-	-	-	-	1,445,397
Special assessments / developer contributions	-	-	-	-	-	-	-	-	-	205,757
Investment income	581	6	5,787	1,318	5,915	476	2,905	-	774	62,699
Miscellaneous	-	-	-	-	-	3,307	-	-	630,452	3,177,590
<b>Total revenues</b>	<b>339,640</b>	<b>6</b>	<b>721,649</b>	<b>464,723</b>	<b>960,678</b>	<b>111,345</b>	<b>2,905</b>	<b>23,192</b>	<b>854,619</b>	<b>11,263,109</b>
<b>Expenditures</b>										
Current:										
General government	-	-	39,232	-	-	-	-	-	-	595,985
Public safety	-	-	-	-	-	-	-	-	-	1,250,693
Public works	-	-	-	-	-	-	-	-	-	2,126,027
Health and social services	-	-	-	-	-	-	-	-	-	2,156,486
Leisure activities	-	-	-	-	-	-	-	-	-	49,897
Conservation and development	25,000	-	75,000	313,927	823,675	304,806	1,088,750	21,671	25,000	2,780,934
Capital outlay	-	37,522	460,659	-	2,235	423,014	-	-	219,641	1,149,061
Debt service:										
Principal	-	-	-	-	205,000	-	-	-	2,850,000	3,055,000
Interest	1,701	-	1,700	1,700	221,807	1,699	50,327	430	122,570	401,934
<b>Total expenditures</b>	<b>26,701</b>	<b>37,522</b>	<b>576,591</b>	<b>315,627</b>	<b>1,252,717</b>	<b>729,519</b>	<b>1,139,077</b>	<b>22,101</b>	<b>3,217,211</b>	<b>13,566,017</b>
Excess (deficiency) of revenues over expenditures	312,939	(37,516)	145,058	149,096	(292,039)	(618,174)	(1,136,172)	1,091	(2,362,592)	(2,302,908)
<b>Other Financing Sources (Uses)</b>										
Debt proceeds	-	-	-	-	2,255,000	-	1,135,000	-	2,905,000	6,295,000
Premium on debt issue	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	400,000	-	-	-	577,042
Transfers out	(400,000)	-	(100,000)	-	-	-	-	-	-	(2,166,230)
<b>Total other financing sources (uses)</b>	<b>(400,000)</b>	<b>-</b>	<b>(100,000)</b>	<b>-</b>	<b>2,255,000</b>	<b>400,000</b>	<b>1,135,000</b>	<b>-</b>	<b>2,905,000</b>	<b>4,705,812</b>
<b>Net change in fund balances</b>	<b>(87,061)</b>	<b>(37,516)</b>	<b>45,058</b>	<b>149,096</b>	<b>1,962,961</b>	<b>(218,174)</b>	<b>(1,172)</b>	<b>1,091</b>	<b>542,408</b>	<b>2,402,904</b>
<b>Fund Balances (Deficit), Beginning</b>	<b>186,982</b>	<b>62,540</b>	<b>1,492</b>	<b>789,728</b>	<b>623,477</b>	<b>459,049</b>	<b>(20,085)</b>	<b>(17,337)</b>	<b>(432,695)</b>	<b>12,102,331</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 99,921</b>	<b>\$ 25,024</b>	<b>\$ 46,550</b>	<b>\$ 938,824</b>	<b>\$ 2,586,438</b>	<b>\$ 240,875</b>	<b>\$ (21,257)</b>	<b>\$ (16,246)</b>	<b>\$ 109,713</b>	<b>\$ 14,505,235</b>