

City of Oak Creek

Financial Statements and
Supplementary Information

December 31, 2022

City of Oak Creek

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Independent Auditors' Report

To the City Council of
City of Oak Creek

Report on the Audit of the Financial Statements

Opinions

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 (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, the City adopted the provisions of GASB Statement No. 87, *Leases*, effective January 1, 2022. Our opinions are not modified with respect to this matter.

As discussed in Note 3 to the financial statements, water utility net position as of December 31, 2021 has been restated due to implementation of GASB 87 and to correct a material misstatement due to an error in recording special assessments. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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 have also issued our report dated July 28, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Milwaukee, Wisconsin
July 28, 2023



**MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
As of and For the Year Ended December 31, 2022**

As management of the City of Oak Creek (the City), we offer readers of the City'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, 2022. 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.

FINANCIAL HIGHLIGHTS

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 11.0% in 2022, to \$198.1 million. Of this amount, \$169.9 million represents the City's net investment in capital assets, while \$35.0 million was held for restricted purposes, and a balance of \$(6.8) million was unrestricted.

At the end of 2022, the City's governmental activities reported total net position of \$62.2 million, including a deficit balance in unrestricted net position of \$42.9 million and the City's business-type activities reported total net position of \$135.9 million, including a surplus balance in unrestricted net position of \$34.2 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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 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.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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 \$19.6 million from fiscal year 2021 to 2022, a change of 11.0%; this increase was comprised of a government-activities increase of \$15.2 million, and a business-type activities increase of \$4.4 million. The City's governmental activities and business-type activities have approximately 31% and 69%, respectively, of the combined net position.

The City's governmental activities total net position increased to \$62.1 million in 2022, an increase of 32.3% from 2021. The City's net investment in capital assets represents 116.1% of the total. Restricted net position of \$32.9 million represents 52.9% of the total. Unrestricted net position deficit of \$42.9 million represents -69.0% of the total.

The City's business-type activities total net position increased by 3.3% to \$135.9 million, including unrestricted net position of \$34.2 million, representing 25.1% 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$106,774,599	\$100,753,718	\$53,145,566	\$36,676,441	\$159,920,165	\$137,430,159
Capital assets (net)	<u>154,163,784</u>	<u>153,758,672</u>	<u>112,254,769</u>	<u>113,573,211</u>	<u>266,418,553</u>	<u>267,331,883</u>
Total assets	<u>260,938,383</u>	<u>254,512,390</u>	<u>165,400,335</u>	<u>150,249,652</u>	<u>426,338,718</u>	<u>404,762,042</u>
Deferred charge on refunding	-	-	178,899	198,963	178,899	198,963
Deferred amount related to pensions	24,920,014	16,317,936	2,065,784	1,399,327	26,985,798	17,717,263
Deferred amount related to OPEB	<u>10,137,575</u>	<u>6,583,646</u>	<u>621,053</u>	<u>466,393</u>	<u>10,758,628</u>	<u>7,050,039</u>
Total deferred outflows of resources	<u>35,057,589</u>	<u>22,901,582</u>	<u>2,865,736</u>	<u>2,064,683</u>	<u>37,923,325</u>	<u>24,966,265</u>
Current liabilities	9,953,886	7,470,780	1,752,799	1,180,386	11,706,685	8,651,166
Long-term liabilities	<u>152,392,689</u>	<u>161,534,395</u>	<u>17,257,890</u>	<u>18,337,667</u>	<u>169,650,579</u>	<u>179,872,062</u>
Total liabilities	<u>162,346,575</u>	<u>169,005,175</u>	<u>19,010,689</u>	<u>19,518,053</u>	<u>181,357,264</u>	<u>188,523,228</u>
Unearned revenue	40,491,506	38,691,235	-	-	40,491,506	38,691,235
Deferred amount related to leases	-	-	10,860,619	-	10,860,619	-
Deferred amount related to pensions	30,085,601	21,506,377	2,412,330	1,740,041	32,497,931	23,246,418
Deferred amount related to OPEB	<u>910,028</u>	<u>1,223,786</u>	<u>79,967</u>	<u>96,168</u>	<u>989,995</u>	<u>1,319,954</u>
Total deferred inflows of revenues	<u>71,487,135</u>	<u>61,421,398</u>	<u>13,352,916</u>	<u>1,836,209</u>	<u>84,840,051</u>	<u>63,257,607</u>
<u>Net Position:</u>						
Net investment in capital assets	72,162,231	65,669,089	99,643,609	99,983,049	169,861,840	163,612,138
Restricted	32,878,289	28,010,846	2,105,323	1,834,305	34,983,612	29,845,151
Unrestricted (deficit)	<u>(42,878,258)</u>	<u>(46,692,536)</u>	<u>34,153,534</u>	<u>29,142,719</u>	<u>(6,780,724)</u>	<u>(15,509,817)</u>
Total net position	<u>\$62,162,262</u>	<u>\$46,987,399</u>	<u>\$135,902,466</u>	<u>\$130,960,073</u>	<u>\$198,064,728</u>	<u>\$177,947,472</u>
Net position - beginning of year	46,987,401	52,541,888	131,516,914	127,267,414	178,504,315	179,809,302
Change in net position	<u>\$15,174,861</u>	<u>(\$5,554,489)</u>	<u>\$4,385,552</u>	<u>\$3,692,659</u>	<u>\$19,560,413</u>	<u>(\$1,861,830)</u>
Percent change in net position	32.3%	-10.6%	3.3%	2.9%	11.0%	-1.0%

Change in combined net position.

The City had combined total revenues of \$84.2 million and combined total expenses before transfers of \$64.7 million in 2022. After transfers, governmental activities had an increase in net position of \$15.2 million, while business-type activities had an increase in net position of \$4.4 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	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program revenues:						
Charges for services	\$ 7,407,861	\$ 6,728,335	\$ 16,799,128	\$ 16,660,203	\$ 24,206,989	\$ 23,388,538
Operating grants & contributions	3,528,055	3,832,130	-	-	3,528,055	3,832,130
Capital grants & contributions	4,399,425	1,753,088	317,903	112,325	4,717,328	1,865,413
General revenues:						
Property taxes	37,860,346	34,849,875	-	-	37,860,346	34,849,875
Other taxes	1,465,673	1,309,055	-	-	1,465,673	1,309,055
Inter-governmental revenues not restricted to specific programs	6,839,141	6,770,056	-	-	6,839,141	6,770,056
Investment income	208,416	62,167	581,761	27,870	790,177	90,037
Miscellaneous	<u>4,828,366</u>	<u>7,429,516</u>	<u>-</u>	<u>-</u>	<u>4,828,366</u>	<u>7,429,516</u>
Total revenues	<u>66,537,283</u>	<u>62,734,222</u>	<u>17,698,792</u>	<u>16,800,398</u>	<u>84,236,075</u>	<u>79,534,620</u>
EXPENSES						
General government	9,218,923	8,963,650	-	-	9,218,923	8,963,650
Public safety	20,519,815	19,554,000	-	-	20,519,815	19,554,000
Health and social services	961,513	881,557	-	-	961,513	881,557
Public works	11,225,076	18,124,254	-	-	11,225,076	18,124,254
Leisure activities	3,100,998	2,616,597	-	-	3,100,998	2,616,597
Conservation and development	4,897,593	16,831,808	-	-	4,897,593	16,831,808
Interest and fiscal charges	3,066,042	3,055,792	-	-	3,066,042	3,055,792
Water utility	-	-	6,925,957	6,822,538	6,925,957	6,822,538
Sewer utility	-	-	4,759,745	4,546,254	4,759,745	4,546,254
Total expenses	<u>52,989,960</u>	<u>70,027,658</u>	<u>11,685,702</u>	<u>11,368,792</u>	<u>64,675,662</u>	<u>81,396,450</u>
Change in net position before transfers	13,547,323	(7,293,436)	6,013,090	5,431,606	19,560,413	(1,861,830)
Transfers	<u>1,627,538</u>	<u>1,738,947</u>	<u>(1,627,538)</u>	<u>(1,738,947)</u>	<u>-</u>	<u>-</u>
Change in net position	15,174,861	(5,554,489)	4,385,552	3,692,659	19,560,413	(1,861,830)
Net position, beginning of year	<u>46,987,401</u>	<u>52,541,888</u>	<u>131,516,914</u>	<u>127,267,414</u>	<u>178,504,315</u>	<u>179,809,302</u>
Net position, end of year	<u>\$ 62,162,262</u>	<u>\$ 46,987,399</u>	<u>\$135,902,466</u>	<u>\$130,960,073</u>	<u>\$198,064,728</u>	<u>\$177,947,472</u>

Governmental Activities

The City of Oak Creek received a total of \$66.5 million in governmental activities revenues excluding transfers in 2022, up \$3.8 million when compared to 2021 revenues. As Table 2 indicates, the largest revenue source is the property tax, which accounts for \$37.9 million, or 56.9% of all governmental revenues. Property tax revenue increased \$3.0 million in 2022 due to significant new commercial and multifamily development within the City, specifically occurring 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 charges for services with \$7.4 million (11.1%); followed by intergovernmental revenues of \$6.8 million (10.3%); miscellaneous of \$4.8 million (7.3%); capital grants and contributions account of \$4.4 million (6.6%); operating grants and contributions of \$3.5 million (5.3%); other taxes of \$1.5 million (2.2%), and investment income of \$0.2 million (0.3%).

The City's governmental activities expenses totaled \$53.0 million in 2022, which were \$13.5 million more than revenues excluding transfers. At \$20.5 million, Public Safety, including Police, Fire, EMS, and Inspection services, accounts for the largest share of City expenses at 38.7%. This is followed by Public Works with \$11.2 million (21.2%), General Government with \$9.2 million (17.4%), Conservation and Development with \$4.9 million (9.2%), Leisure Activities with \$3.1 million (5.9%), and Health and Social Services with \$1.0 million (1.8%). Payment of interest and fiscal charges in the amount of \$3.1 million, accounts for 5.8% of total governmental activities expenses.

Business-type Activities

The City of Oak Creek received \$17.7 million in business-type activities revenue during 2022 from its water and sewer utilities. Charges for services are by far the largest revenue sources for these operations, representing \$16.8 million (94.9%) of all revenues. Investment income are the next largest category of revenues at \$0.6 million in 2022, with capital grants and contributions accounting for the balance of revenues at \$0.3 million (1.8%).

Net position of the City of Oak Creek's water and sewer utilities increased by \$4.4 million in 2022, which represents a 3.3% increase over the prior year's net position.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *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 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 2022, the combined fund balances for the City’s governmental funds were \$40.1 million. Of this total, \$0.1 million is nonspendable, \$20.1 million is restricted, \$2.2 million is committed and \$7.7 million is assigned. The balance of unassigned governmental fund balances is \$9.9 million. These funds are allocated across the following areas (in millions of dollars):

Unassigned Fund Balances (deficit):	
General Fund	\$9.934
Future Improvements Fund	<u>(0.008)</u>
Total	<u>\$9.926</u>

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

- The General Fund balance as of December 31, 2022 was \$11.7 million, of which \$1.6 million was assigned. Included in the assigned amount are tax equivalent dollars to be paid by the utility in 2022, and \$0.1 million is nonspendable which includes minor amounts for delinquent personal property taxes, non-current receivables, and inventories.
- Unassigned fund balance is now \$9.9 million, an increase of \$0.4 million from 2021. The unassigned fund balance is approximately 30.7% of the General Fund’s 2022 actual revenues and 2021 state shared revenues; this exceeds the City’s policy target range of 15-25% for the purposes of cash flow, stabilization, and emergency reserves. Excess unassigned fund balance above the City’s policy target can be utilized for non-reoccurring expenditures in the future such as capital projects.

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.

- The EMS Fund balance as of December 31, 2022 increased to \$1.6 million.
- Total revenues were \$6 million for 2022, which included \$3.9 million from taxes, \$1.9 million from public charges for services, and \$0.2 million of intergovernmental revenue.
- Total expenditures for the year were \$5.7 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.

- The Capital Improvement Fund balance at the end of the year was \$6.1 million, an increase of \$1.1 million from 2021. The increase is primarily due to the allocation of surplus dollars from the General Fund to capitalize the City’s Strategic Action Plan (SAP), building reserve, and equipment replacement accounts.

- Revenue sources provided \$6.0 million consisting of \$5.7 million in interfund transfers, \$0.2 million in intergovernmental grants, interest income, and miscellaneous revenue, and \$0.1 million in sale of property.
- Expenditures in this fund totaled \$4.9 million in 2022. The largest expenses included the annual street rehabilitation program including Drexel Ave., providing clean soil on the lakefront bluff property, extending fiber to the City facilities on the east side, and completing repairs to infrastructure and the street lighting system throughout the City.

GENERAL FUND BUDGETARY HIGHLIGHTS

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 including other sources were above budget projections by approximately \$1.5 million, while expenditures including other uses were under budget by \$1.2 million. The expenditure outcome relates mainly to allocate significant surplus fund to other funds.

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 increase in development-related revenues as construction activity remained strong. However, the City did realize much lower investment earnings than anticipated as interest rates declined significantly in late 2020 into 2021.

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, however, short-term interest rates increased rapidly in 2022 and early 2023, which should materialize in increased interest earnings in future years.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2022, the City reported combined capital assets of \$266.4 million. Of this amount, \$154.2 million, or 57.9%, is attributable to governmental activities, with the assets related to the City's land, buildings, equipment, and street network.

In 2022, the net capital assets of governmental activities increased by \$0.4 million. Capital assets of business type activities decreased by \$1.3 million.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land and improvements	\$31,924,177	\$29,166,698	\$308,195	\$255,895	\$32,232,372	\$29,422,593
Intangible assets	-	-	51,225	61,657	51,225	61,657
Construction in progress	317,010	134,495	1,239,083	2,189,146	1,556,093	2,323,641
Buildings	32,626,145	33,370,038	-	-	32,626,145	33,370,038
Machinery and equipment	6,722,188	6,314,938	110,656,266	111,066,513	117,378,454	117,381,451
Infrastructure	<u>82,574,264</u>	<u>84,772,503</u>	<u>-</u>	<u>-</u>	<u>82,574,264</u>	<u>84,772,503</u>
Capital Assets Net of Depreciation	<u>\$154,163,784</u>	<u>\$153,758,672</u>	<u>\$112,254,769</u>	<u>\$113,573,211</u>	<u>\$266,418,553</u>	<u>\$267,331,883</u>

Long-term Debt

At year-end, the governmental activities had \$105.0 million in general obligation bonds, promissory notes, and note anticipation notes, an decrease of \$14.1 million from last year. At the end of 2022, the business-type activities had a total of \$12.4 million in outstanding revenue bonds. The City's general obligation bonds are rated Aa2 by Moody's Investors Service. Revenue bonds of the water & sewer utilities are rated Aa2 by Moody's Investor Service as well.

State law limits the City to issuing general obligation bonds totaling no more than 5% of the City's equalized value. Based on the 2022 equalized value, this limit is \$261.3 million. The City currently has a combined total of \$92.7 million of general obligation bonds and notes outstanding, representing 40.2% 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
General Obligation Bonds and Notes	\$104,960,000	\$119,100,000	\$0	\$0	\$104,960,000	\$119,100,000
Revenue Bonds	<u>-</u>	<u>-</u>	<u>12,419,609</u>	<u>13,555,164</u>	<u>12,419,609</u>	<u>13,555,164</u>
Total	<u>\$104,960,000</u>	<u>\$119,100,000</u>	<u>\$12,419,609</u>	<u>\$13,555,164</u>	<u>\$117,379,609</u>	<u>\$132,655,164</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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, 13th Street and Drexel Avenue, 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 2022	Estimated 2021	Census 2020	Estimated 2019	Census 2010
City of Oak Creek	37,374	37,608	36,497	35,830	34,451
Milwaukee County	939,487	947,241	939,489	946,296	947,735
State of Wisconsin	5,949,155	5,901,473	5,893,718	5,843,443	5,686,986

Total New Construction Building Permits			Total Residential Building Permits	
Year	Number	Value	Number	Value
2022	83	\$178,736,091	54	\$22,203,499

The Oak Creek Common Council adopted the 2023 budget in November of 2022, which authorized General Fund expenditures of \$29.5 million, a 1.5% increase from 2022. The tax levy for the City of Oak Creek is \$23.9 million, an increase of \$0.6 million from 2022 due to new construction. The mill rate for City services decreased by \$0.44 to \$5.68 in 2023, due to an increase in the community's assessed value.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, 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. 6th Street, Oak Creek, Wisconsin, 53154.

BASIC FINANCIAL STATEMENTS

City of Oak Creek

Statement of Net Position

December 31, 2022

	Governmental Activities	Business- Type Activities	Total
Assets			
Unrestricted cash and investments	\$ 40,436,990	\$ 37,202,763	\$ 77,639,753
Taxes receivable	40,986,188	-	40,986,188
Delinquent personal property taxes receivable	1,380	-	1,380
Accounts receivable, net	1,679,779	3,466,054	5,145,833
Special assessments receivable	2,264,580	409,660	2,674,240
Loans receivable	6,503	-	6,503
Leases receivable	-	10,860,619	10,860,619
Other assets	-	5,000	5,000
Internal balances	1,048,352	(1,048,352)	-
Due from other governmental units	7,205	-	7,205
Prepays and inventories	136,151	111,607	247,758
Restricted assets:			
Cash and investments	7,408,619	1,135,265	8,543,884
Net pension asset	12,798,852	1,002,950	13,801,802
Capital assets:			
Land and land rights	27,779,402	308,195	28,087,597
Intangible assets	-	85,719	85,719
Construction in progress	317,010	1,239,083	1,556,093
Other capital assets, net of depreciation / amortization	126,067,372	110,621,772	236,689,144
Total assets	260,938,383	165,400,335	426,338,718
Deferred Outflows of Resources			
Deferred charge on refunding	-	178,899	178,899
Deferred amount related to pension	24,920,014	2,065,784	26,985,798
Deferred amount related to OPEB	10,137,575	621,053	10,758,628
Total deferred outflows of resources	35,057,589	2,865,736	37,923,325
Liabilities			
Accounts payable and accrued liabilities	5,632,383	1,752,799	7,385,182
Deposits	485,703	-	485,703
Accrued interest	721,657	-	721,657
Unearned revenue	3,114,143	-	3,114,143
Noncurrent liabilities:			
Due within one year	8,545,019	1,160,367	9,705,386
Due in more than one year	143,847,670	16,097,523	159,945,193
Total liabilities	162,346,575	19,010,689	181,357,264
Deferred Inflows of Resources			
Unearned revenue	40,491,506	-	40,491,506
Deferred amount related to leases	-	10,860,619	10,860,619
Deferred amount related to pension	30,085,601	2,412,330	32,497,931
Deferred amount related to OPEB	910,028	79,967	989,995
Total deferred inflows of resources	71,487,135	13,352,916	84,840,051
Net Position			
Net investment in capital assets	72,162,231	99,643,609	169,981,840
Restricted for debt service	-	1,102,373	1,102,373
Restricted for TID activity	4,402,344	-	4,402,344
Restricted for impact fees	7,318,495	-	7,318,495
Restricted for pensions	12,798,852	1,002,950	13,801,802
Restricted for other purposes	8,358,598	-	8,358,598
Unrestricted (deficit)	(42,878,258)	34,153,534	(6,900,724)
Total net position	\$ 62,162,262	\$ 135,902,466	\$ 198,064,728

See notes to financial statements

City of Oak Creek

Statement of Activities

Year Ended December 31, 2022

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	Total
Governmental Activities							
General government	\$ 9,218,923	\$ 1,953,642	\$ 38,470	\$ -	\$ (7,226,811)	\$ -	\$ (7,226,811)
Public safety	20,519,815	3,612,078	485,835	-	(16,421,902)	-	(16,421,902)
Health and social services	961,513	30,105	618,404	-	(313,004)	-	(313,004)
Public works	11,225,076	1,719,870	2,367,846	2,572,632	(4,564,728)	-	(4,564,728)
Leisure activities	3,100,998	92,166	-	31,069	(2,977,763)	-	(2,977,763)
Conservation and development	4,897,593	-	17,500	1,795,724	(3,084,369)	-	(3,084,369)
Interest and fiscal charges	3,066,042	-	-	-	(3,066,042)	-	(3,066,042)
Total governmental activities	52,989,960	7,407,861	3,528,055	4,399,425	(37,654,619)	-	(37,654,619)
Business-Type Activities							
Water utility	6,925,957	11,950,221	-	172,104	-	5,196,368	5,196,368
Sewer utility	4,759,745	4,848,907	-	145,799	-	234,961	234,961
Total business-type activities	11,685,702	16,799,128	-	317,903	-	5,431,329	5,431,329
Total	\$ 64,675,662	\$ 24,206,989	\$ 3,528,055	\$ 4,717,328	(37,654,619)	5,431,329	(32,223,290)
General Revenues							
Taxes:							
					28,012,175	-	28,012,175
					1,139,314	-	1,139,314
					8,708,857	-	8,708,857
					1,465,673	-	1,465,673
					6,839,141	-	6,839,141
					208,416	581,761	790,177
					193,123	-	193,123
					4,635,243	-	4,635,243
					1,627,538	(1,627,538)	-
					52,829,480	(1,045,777)	51,783,703
					15,174,861	4,385,552	19,560,413
					46,987,401	131,516,914	178,504,315
					\$ 62,162,262	\$ 135,902,466	\$ 198,064,728

See notes to financial statements

City of Oak Creek

Balance Sheet -
Governmental Funds
December 31, 2022

	Special Revenue Fund		Debt Service Funds		Capital Projects Funds			Nonmajor Governmental Funds	Total
	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		
Assets									
Unrestricted cash and investments	\$ 12,463,940	\$ 1,306,273	\$ 4,773	\$ 5,739	\$ 6,769,512	\$ 90,945	\$ 2,314,871	\$ 15,417,478	\$ 38,373,531
Restricted cash and investments	-	-	-	-	-	-	-	7,408,619	7,408,619
Receivables:									
Taxes	16,969,582	3,813,957	435,789	-	-	2,524,747	4,313,284	12,928,829	40,986,188
Delinquent personal property taxes	1,380	-	-	-	-	-	-	-	1,380
Accounts, net	738,988	434,926	-	-	11,491	-	72,992	85,595	1,343,992
Due from other government	7,205	-	-	-	-	-	-	-	7,205
Special assessments	-	-	-	-	-	-	-	2,264,580	2,264,580
Loans	-	-	-	-	-	-	-	6,503	6,503
Due from other funds	1,665,441	-	-	-	243,956	-	-	314,900	2,224,297
Inventories	136,151	-	-	-	-	-	-	-	136,151
Total assets	\$ 31,982,687	\$ 5,555,156	\$ 440,562	\$ 5,739	\$ 7,024,959	\$ 2,615,692	\$ 6,701,147	\$ 38,426,504	\$ 92,752,446
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 637,058	\$ 17,525	\$ 475	\$ -	\$ 698,383	\$ (234)	\$ (2,912)	\$ 1,234,054	\$ 2,584,349
Accrued liabilities	2,500,145	68,956	-	-	-	-	-	62,279	2,631,380
Deposits	150,593	-	-	-	-	-	-	335,110	485,703
Due to other funds	415,923	-	-	-	267,464	-	-	669,458	1,352,845
Unearned revenues	-	-	-	-	-	-	-	3,104,153	3,104,153
Total liabilities	3,703,719	86,481	475	-	965,847	(234)	(2,912)	5,405,054	10,158,430
Deferred Inflows of Resources									
Unearned revenues	16,568,923	3,813,957	435,789	-	-	2,524,747	4,313,284	12,834,806	40,491,506
Unavailable revenues	-	7,085	-	-	-	-	72,992	1,955,446	2,035,523
Total deferred inflows of resources	16,568,923	3,821,042	435,789	-	-	2,524,747	4,386,276	14,790,252	42,527,029
Fund Balances									
Nonspendable	148,831	-	-	-	-	-	-	-	148,831
Restricted	-	-	4,298	5,739	-	91,179	2,317,783	17,670,475	20,089,474
Committed	-	1,647,633	-	-	-	-	-	568,973	2,216,606
Assigned	1,627,538	-	-	-	6,059,112	-	-	-	7,686,650
Unassigned (deficit)	9,933,676	-	-	-	-	-	-	(8,250)	9,925,426
Total fund balances	11,710,045	1,647,633	4,298	5,739	6,059,112	91,179	2,317,783	18,231,198	40,066,987
Total liabilities, deferred inflows of resources and fund balances	\$ 31,982,687	\$ 5,555,156	\$ 440,562	\$ 5,739	\$ 7,024,959	\$ 2,615,692	\$ 6,701,147	\$ 38,426,504	\$ 92,752,446

See notes to financial statements

City of Oak Creek

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2022

Fund Balance, Total Governmental Funds \$ 40,066,987

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	27,779,402
Construction in progress	317,010
Other capital assets, net of depreciation / amortization	126,067,372

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	1,948,943
Loans	6,503
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.

2,149,502

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

12,798,852

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

24,920,014

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

(30,085,601)

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.

10,137,575

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.

(910,028)

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	(104,960,000)
Unamortized debt premium	(2,255,553)
Other postemployment benefits	(43,904,550)
Vested compensated absences	(1,272,586)
Accrued interest	(721,657)

Net Position of Governmental Activities

\$ 62,162,262

City of Oak Creek

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2022

	Special Revenue Fund		Debt Service Funds		Capital Projects Funds			Nonmajor Governmental Funds	Total
	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		
Revenues									
Taxes	\$ 16,471,363	\$ 3,908,890	\$ 744,932	\$ -	\$ -	\$ 2,240,698	\$ 4,278,844	\$ 11,681,293	\$ 39,326,020
Intergovernmental	5,782,539	218,109	-	3,171,703	50,178	12,155	670	1,782,603	11,017,957
Regulation and compliance	2,285,401	-	-	-	-	-	-	-	2,285,401
Public charges for services	387,403	1,918,783	-	-	-	-	-	2,956,069	5,262,255
Special assessments/developer contributions	-	-	-	-	-	-	-	169,527	169,527
Investment income (loss)	(199,906)	18,931	-	5,739	40,588	1,155	30,811	283,912	181,230
Miscellaneous	1,228,341	1,021	-	-	87,948	-	528,902	2,772,423	4,618,635
Interdepartmental charges for services	438,622	-	-	-	-	-	-	-	438,622
Total revenues	26,393,763	6,065,734	744,932	3,177,442	178,714	2,254,008	4,839,227	19,645,827	63,299,647
Expenditures									
Current:									
General government	6,571,490	-	-	-	-	-	(59)	678,539	7,249,970
Public safety	12,180,722	5,687,491	-	-	-	-	-	1,270,498	19,138,711
Health and social services	572,865	-	-	-	-	-	-	2,400,623	2,973,488
Public works	4,234,376	-	-	-	-	-	-	2,188,526	6,422,902
Leisure activities	1,998,470	-	-	-	-	-	-	184,839	2,183,309
Conservation and development	-	-	-	-	-	231,356	-	4,486,264	4,717,620
Capital outlay	-	-	-	-	4,850,881	2,012,201	113,100	848,670	7,824,852
Debt service:									
Principal retirement	-	-	8,520,000	-	-	1,235,000	2,670,000	4,040,000	16,465,000
Interest and fiscal charges	-	-	886,343	-	-	320,998	1,399,060	869,964	3,476,365
Total expenditures	25,557,923	5,687,491	9,406,343	-	4,850,881	3,799,555	4,182,101	16,967,923	70,452,217
Excess (deficiency) of revenues over expenditures	835,840	378,243	(8,661,411)	3,177,442	(4,672,167)	(1,545,547)	657,126	2,677,904	(7,152,570)
Other Financing Sources (Uses)									
Long-term debt issued	-	-	-	-	-	-	-	2,325,000	2,325,000
Sale of property	58,743	-	-	-	134,377	-	-	69,004	262,124
Transfers in	1,639,622	-	2,253,248	-	5,667,634	-	-	1,967,597	11,528,101
Transfers out	(2,299,679)	-	-	(3,173,248)	-	-	(220,000)	(4,207,636)	(9,900,563)
Total other financing sources (uses)	(601,314)	-	2,253,248	(3,173,248)	5,802,011	-	(220,000)	153,965	4,214,662
Net change in fund balance	234,526	378,243	(6,408,163)	4,194	1,129,844	(1,545,547)	437,126	2,831,869	(2,937,908)
Fund Balances, Beginning	11,475,519	1,269,390	6,412,461	1,545	4,929,268	1,636,726	1,880,657	15,399,329	43,004,895
Fund Balances, Ending	\$ 11,710,045	\$ 1,647,633	\$ 4,298	\$ 5,739	\$ 6,059,112	\$ 91,179	\$ 2,317,783	\$ 18,231,198	\$ 40,066,987

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, 2022

Net Change in Fund Balances, Total Governmental Funds \$ (2,937,908)

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	7,824,852
Some amounts reported as capital outlay were not capitalized	(215,161)
Depreciation is reported in the government-wide statements	(3,934,089)
Net book value of disposed assets	(3,270,492)

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	1,786,393
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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	16,465,000
Debt proceeds	(2,325,000)

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.

Amortization of debt premium on debt issued	334,916
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Net revenue of activities in the internal service fund is reported with governmental
activities.

	(125,498)
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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	(5,451,170)
Deferred outflows related to OPEBs	3,553,929
Deferred inflows related to OPEBs	313,758
Vest compensated absences	117,960
Accrued interest on debt	75,408
Net pension asset	2,939,109
Deferred outflows related to pensions	8,602,078
Deferred inflows related to pensions	(8,579,224)

Change in Net Position of Governmental Activities

\$ 15,174,861

See notes to financial statements

City of Oak Creek

Statement of Net Position -
 Proprietary Funds
 December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Total	Activities - Internal Service Fund
Assets				
Current assets:				
Cash and investments	\$ 28,722,216	\$ 8,480,547	\$ 37,202,763	\$ 2,063,459
Customer accounts receivable	2,245,217	1,063,104	3,308,321	-
Other accounts receivable	74,130	81,044	155,174	335,787
Due from other funds	731,659	306,286	1,037,945	176,900
Accrued interest	-	2,559	2,559	-
Lease receivable	339,515	-	339,515	-
Due from other funds, advance	-	219,667	219,667	-
Prepaid and inventory	111,607	-	111,607	-
Restricted assets:				
Revenue bond redemption account	552,720	-	552,720	-
Total current assets	32,777,064	10,153,207	42,930,271	2,576,146
Noncurrent assets:				
Restricted assets:				
Revenue bond reserve account	565,545	-	565,545	-
Revenue bond depreciation account	17,000	-	17,000	-
Net pension asset	802,363	200,587	1,002,950	-
Total restricted assets	1,384,908	200,587	1,585,495	-
Capital assets:				
Land and land rights	295,050	13,145	308,195	-
Intangible assets	69,544	16,175	85,719	-
Construction in progress	1,030,652	208,431	1,239,083	-
Utility plant in service	125,724,661	49,398,041	175,122,702	-
Accumulated amortization	(34,494)	-	(34,494)	-
Accumulated depreciation	(50,529,140)	(13,937,296)	(64,466,436)	-
Total capital assets	76,556,273	35,698,496	112,254,769	-
Other assets:				
Property held for future use	5,000	-	5,000	-
Lease receivable	10,521,104	-	10,521,104	-
Due from other funds, special assessments	394,430	15,230	409,660	-
Due from other funds, advance	-	1,348,899	1,348,899	-
Total other assets	10,920,534	1,364,129	12,284,663	-
Total assets	121,638,779	47,416,419	169,055,198	2,576,146
Deferred Outflows of Resources				
Deferred charge on refunding	178,899	-	178,899	-
Deferred outflows related to OPEB	497,253	123,800	621,053	-
Deferred outflows related to pension	1,652,624	413,160	2,065,784	-
Total deferred outflows of resources	2,328,776	536,960	2,865,736	-
Total assets and deferred outflows of resources	123,967,555	47,953,379	171,920,934	2,576,146

See notes to financial statements

City of Oak Creek

Statement of Net Position -
 Proprietary Funds
 December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Total	Activities - Internal Service Fund
Liabilities				
Current liabilities:				
Accounts payable	\$ 898,342	\$ 720,428	\$ 1,618,770	\$ 416,654
Accrued payroll	44,322	1,675	45,997	-
Accrued interest payable	2,559	-	2,559	-
Due to other funds	2,043,925	42,372	2,086,297	-
Due to other funds, advance	219,667	-	219,667	-
Unearned revenue	-	-	-	9,990
Compensated absences	52,581	-	52,581	-
Liabilities payable from restricted assets:				
Accrued interest	32,892	-	32,892	-
Current portion of revenue bonds	1,160,367	-	1,160,367	-
Total current liabilities	4,454,655	764,475	5,219,130	426,644
Noncurrent liabilities:				
Other postemployment benefits obligation	2,034,144	508,537	2,542,681	-
Due to other funds, advance	1,348,899	-	1,348,899	-
Pollution remediation obligation	2,295,600	-	2,295,600	-
Revenue bonds, net of unamortized premiums	11,259,242	-	11,259,242	-
Total noncurrent liabilities	16,937,885	508,537	17,446,422	-
Total liabilities	21,392,540	1,273,012	22,665,552	426,644
Deferred Inflows of Resources				
Deferred inflows related to OPEB	63,961	16,006	79,967	-
Deferred inflows related to pension	1,929,865	482,465	2,412,330	-
Deferred inflows related to leases	10,860,619	-	10,860,619	-
Total deferred inflows	12,854,445	498,471	13,352,916	-
Total liabilities and deferred inflows of resources	34,246,985	1,771,483	36,018,468	426,644
Net Position				
Net investment in capital assets	63,955,607	35,688,002	99,643,609	-
Restricted:				
Debt service	1,102,373	-	1,102,373	-
Pension	802,363	200,587	1,002,950	-
Unrestricted	23,860,227	10,293,307	34,153,534	2,149,502
Total net position	\$ 89,720,570	\$ 46,181,896	\$ 135,902,466	\$ 2,149,502

See notes to financial statements

City of Oak Creek

Statement of Revenues, Expenses and Changes in Net Position -

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Total	Activities - Internal Service Fund
Operating Revenues				
Charges for services and sales	\$ 11,458,920	\$ 4,797,059	\$ 16,255,979	\$ -
Other operating revenues	491,301	51,848	543,149	7,373,535
Total operating revenues	11,950,221	4,848,907	16,799,128	7,373,535
Operating Expenses				
Operation and maintenance	3,950,064	4,115,557	8,065,621	7,526,218
Depreciation/amortization	2,574,828	598,269	3,173,097	-
Taxes	125,425	45,919	171,344	-
Total operating expenses	6,650,317	4,759,745	11,410,062	7,526,218
Operating income (loss)	5,299,904	89,162	5,389,066	(152,683)
Nonoperating Revenues (Expenses)				
Investment income	487,350	94,411	581,761	27,185
Income (loss) from merchandising and jobbing	(14,629)	-	(14,629)	-
Interest expense and debt issuance costs	(240,948)	-	(240,948)	-
Amortization of bond premiums	(20,063)	-	(20,063)	-
Total nonoperating revenues (expenses)	211,710	94,411	306,121	27,185
Income (loss) before contributions and transfers	5,511,614	183,573	5,695,187	(125,498)
Capital Contributions	172,104	145,799	317,903	-
Transfers Out	(1,627,538)	-	(1,627,538)	-
Change in net position	4,056,180	329,372	4,385,552	(125,498)
Net Position, Beginning (as restated)	85,664,390	45,852,524	131,516,914	2,275,000
Net Position, Ending	\$ 89,720,570	\$ 46,181,896	\$ 135,902,466	\$ 2,149,502

See notes to financial statements

City of Oak Creek

Statement of Cash Flows -

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Total	
Cash Flows From Operating Activities				
Received from customers	\$ 11,519,760	\$ 4,724,287	\$ 16,244,047	\$ 7,152,800
Received from rents of water property	350,318	-	350,318	-
Received for nonoperating activities	27,382	-	27,382	-
Received from miscellaneous sources	75,643	3,326	78,969	-
Paid for nonoperating activities	(42,011)	-	(42,011)	-
Paid to Milwaukee Metro Sewerage District for sewer user charges	-	(3,226,596)	(3,226,596)	-
Paid to Primary Government for tax equivalent	(1,892,737)	-	(1,892,737)	-
Paid to suppliers for goods and services	(1,936,610)	(460,177)	(2,396,787)	(7,462,716)
Paid to employees for services	(1,775,951)	(404,942)	(2,180,893)	-
Net cash flows from operating activities	6,325,794	635,898	6,961,692	(309,916)
Cash Flows From Noncapital Financing Activities				
Principal received from Water Utility, advance	-	218,923	218,923	-
Cash Flows From Investing Activities				
Proceeds from sale of investments	372,280	8,734	381,014	-
Interest received from Water Utility, advance	-	5,542	5,542	-
Investment income	483,519	86,538	570,057	27,185
Net cash flows from investing activities	855,799	100,814	956,613	27,185
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	(1,714,632)	(361,732)	(2,076,364)	-
Proceeds received for acquisition and construction of capital assets	12,692	-	12,692	-
Special assessment proceeds	220,295	27,104	247,399	-
Principal payment to Sewer Utility, advance	(218,923)	-	(218,923)	-
Debt retired	(1,135,555)	-	(1,135,555)	-
Interest paid to Sewer Utility, advance	(5,542)	-	(5,542)	-
Interest paid	(235,739)	-	(235,739)	-
Net cash flows from capital and related financing activities	(3,077,404)	(334,628)	(3,412,032)	-
Net change in cash and cash equivalents	4,104,189	621,007	4,725,196	(282,731)
Cash and Cash Equivalents, Beginning	25,753,292	7,859,540	33,612,832	2,346,190
Cash and Cash Equivalents, Ending	\$ 29,857,481	\$ 8,480,547	\$ 38,338,028	\$ 2,063,459

See notes to financial statements

City of Oak Creek

Statement of Cash Flows -

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Total	
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities				
Operating income (loss)	\$ 5,299,904	\$ 89,162	\$ 5,389,066	\$ (152,683)
Nonoperating revenues (expenses)	(14,629)	-	(14,629)	-
Transfer out to general fund	(1,627,538)	-	(1,627,538)	-
Adjustments to reconcile operating income to net cash provided from operating activities				
Noncash items included in income:				
Amortization	10,432	-	10,432	-
Depreciation	2,564,396	598,269	3,162,665	-
Depreciation charged to other accounts	86,537	(51,388)	35,149	-
Changes in assets and liabilities and deferred outflows and inflows:				
Customer accounts receivable	(77,676)	(31,479)	(109,155)	(173,423)
Other accounts receivable	2,034	2,188	4,222	-
Due from other funds	-	(38,095)	(38,095)	(47,312)
Inventories	(27,876)	-	(27,876)	-
Pension	(195,748)	(48,931)	(244,679)	-
Accounts payable and accrued liabilities	654,755	135,869	790,624	63,502
Accrued expenses	(8,471)	352	(8,119)	-
Due to other funds	(251,967)	-	(251,967)	-
Net other post employment benefits obligation	(88,359)	(20,049)	(108,408)	-
Net cash flows from operating activities	<u>\$ 6,325,794</u>	<u>\$ 635,898</u>	<u>\$ 6,961,692</u>	<u>\$ (309,916)</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds				
Cash and investments	\$ 28,722,216	\$ 8,480,547	\$ 37,202,763	\$ 2,063,459
Restricted cash and investments, current	552,720	-	552,720	-
Restricted cash and investments, noncurrent	582,545	-	582,545	-
Cash and Cash Equivalents, Ending	<u>\$ 29,857,481</u>	<u>\$ 8,480,547</u>	<u>\$ 38,338,028</u>	<u>\$ 2,063,459</u>
Noncash Investing, Capital and Financing Activities				
Cost of capital assets installed and/or financed by developers	<u>\$ 71,525</u>	<u>\$ 117,769</u>	<u>\$ 189,294</u>	<u>\$ -</u>
Cost of capital assets installed and/or financed by assessments of benefits to property owners	<u>\$ 100,579</u>	<u>\$ 28,806</u>	<u>\$ 129,385</u>	<u>\$ -</u>

See notes to financial statements

City of Oak Creek

Statement of Fiduciary Net Position -
Fiduciary Fund
December 31, 2022

	Custodial Fund
	Tax Collection Fund
Assets	
Cash and investments	\$ 48,785,190
Property taxes receivable	<u>14,179,846</u>
Total assets	<u>62,965,036</u>
Liabilities	
Due to other taxing units	<u>62,965,036</u>
Net Position	<u><u>\$ -</u></u>

See notes to financial statements

City of Oak Creek

Statement of Changes in Fiduciary Net Position -
Fiduciary Fund
Year Ended December 31, 2022

	<u>Custodial Fund</u> <u>Tax Collection Fund</u>
Additions	
Tax collections	\$ 44,347,299
Deductions	
Payments to overlying districts	<u>44,347,299</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to financial statements

City of Oak Creek

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December 31, 2022

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City of Oak Creek

Notes to Financial Statements
December 31, 2022

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

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the City's leasing activities. This standard was implemented January 1, 2022.

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% 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% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the 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, 2022

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

City of Oak Creek

Notes to Financial Statements
December 31, 2022

Debt Service Fund

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, 2022

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% 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% 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, 2022, 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.

City of Oak Creek

Notes to Financial Statements

December 31, 2022

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.

Property tax calendar - 2022 tax roll:

Lien date and levy date	December 2022
Tax bills mailed	December 2022
Payment in full, or	January 31, 2023
First installment due (50%)	January 31, 2023
Second installment due (25%)	March 31, 2023
Third installment due (25%)	May 31, 2023
Personal property taxes in full	January 31, 2023
Tax sale, 2022 delinquent real estate taxes	October 2025

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.

City of Oak Creek

Notes to Financial Statements
December 31, 2022

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.

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. 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.

Leases

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

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.

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, 2022 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.

City of Oak Creek

Notes to Financial Statements

December 31, 2022

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:

Name	Date	Original Principal Amount	Maturity	Principal Amount Outstanding at 12/31/22
Marquette13 LLC and Tower13 LLC	12/29/17	\$ 6,300,000	12/01/37	\$ 5,283,713

Pollution Remediation Obligations

As of December 31, 2022, 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, 2022, 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:

- 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.
- Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Position** - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

City of Oak Creek

Notes to Financial Statements

December 31, 2022

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:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Adjustment</u>	<u>Total</u>
Net investment in capital assets	\$ 72,162,231	\$ 99,643,609	\$ (1,824,000)	\$ 169,981,840
Unrestricted (deficit)	(42,878,258)	34,153,534	1,824,000	(6,900,724)

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.

City of Oak Creek

Notes to Financial Statements
December 31, 2022

The City has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 15% to 25% of total general fund annual revenues plus the amount of state shared revenue during the previous year. General fund annual revenues were \$26,452,506 and the state shared revenue in the previous year was \$5,843,748 for a total of \$32,296,254. At year end, amounts available for working capital and included in unassigned general fund balance totaled \$9,933,676 or 30.8%.

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.

City of Oak Creek

Notes to Financial Statements
December 31, 2022

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 Fund	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
ARPA Fund	TIF No. 16 Capital Projects Fund

Excess Expenditures and Other Uses Over Appropriation

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Debt Service Fund	\$ 2,982,197	\$ 9,406,343	\$ 6,424,146
Special Revenue Funds:			
Emergency Medical Services	5,598,633	5,687,491	88,858
Donation & Activity	523,179	979,869	456,690
Future Improvement	-	5,750	5,750
Impact Fee Escrow	-	356,869	356,869
Consolidated Dispatch Services	1,829,160	1,926,235	97,075
Tourism Commission	367,224	414,442	47,218
Capital Projects Funds:			
TIF #12	1,167,485	3,421,183	2,253,698
TIF #7	1,641,914	1,882,122	240,208
TIF #8	1,864,223	3,799,555	1,935,332
TIF #10	323,647	534,239	210,592
TIF #11	4,250,211	4,402,101	151,890
TIF #13	782,920	1,766,168	983,248
TIF #14	149,980	150,335	355

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.

City of Oak Creek

Notes to Financial Statements
December 31, 2022

Deficit Balances

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

As of December 31, 2022, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Special Revenue Funds:		
Future Improvement Fund	\$ 8,250	Excess of expenditures over revenues

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.

City of Oak Creek

Notes to Financial Statements

December 31, 2022

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	\$ 34,277,829	\$ 34,277,831	Custodial credit
Certificates of deposit (negotiable)	1,554,928	1,554,928	Credit, custodial credit, interest rate, concentration of credit
U.S. treasuries	3,308,807	3,308,807	Custodial credit, interest rate and highly sensitive to interest rate changes
U.S. agencies	6,562,245	6,562,245	Credit, custodial credit, interest rate, highly sensitive to interest rate changes, concentration of credit
Municipal bonds	1,119,251	1,119,251	Custodial credit, credit, interest rate, concentration of credit, highly sensitive to interest rate changes
Corporate bonds	1,561,819	1,561,819	Credit, custodial credit, interest rate, concentration of credit
Local Government Investment Pool	86,280,283	86,280,283	Credit
Sweep accounts	298,609	298,609	Credit, custodial credit, interest rate, concentration of credit
Petty cash	5,056	-	N/A
Total cash and investments	<u>\$ 134,968,827</u>	<u>\$ 134,963,773</u>	
Per statement of net position:			
Unrestricted cash and investments	\$ 77,639,753		
Restricted cash and investments	8,543,884		
Per statement of fiduciary net position:			
Custodial funds	<u>48,785,190</u>		
Total cash and investments	<u>\$ 134,968,827</u>		

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.

City of Oak Creek

Notes to Financial Statements
December 31, 2022

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, 2022 the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poor's</u>	<u>Fitch Ratings</u>	<u>Moody's</u>
U.S. agencies	AA	AAA	AAA
Sweep accounts	AA	AAA	AAA
Municipal bonds	AAA	AAA	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

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, 2022, the investment portfolio did not contain any single issuer in excess of 5% 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.

City of Oak Creek

Notes to Financial Statements
December 31, 2022

As of December 31, 2022, the City's investments were as follows:

Investment Type	Maturity (in Years)			
	Fair Value	Less Than 1 Year	1 - 10	> 10 Years
Certificates of deposit (negotiable)	\$ 1,554,928	\$ 409,709	\$ 1,145,219	\$ -
U.S. treasuries	3,308,807	1,027,684	2,281,123	-
U.S. agencies	6,562,245	1,005,489	2,760,989	2,795,767
Sweep accounts	298,609	298,609	-	-
Corporate bonds	1,561,819	296,758	908,246	356,815
Municipal bonds	1,119,251	303,849	815,402	-
Total	<u>\$ 14,405,659</u>	<u>\$ 3,342,098</u>	<u>\$ 7,910,979</u>	<u>\$ 3,152,582</u>

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, 2022			
	Level 1	Level 2	Level 3	Total
Certificates of deposit (negotiable)	\$ -	\$ 1,554,928	\$ -	\$ 1,554,928
U.S. treasuries	-	3,308,807	-	3,308,807
U.S. agencies	-	6,562,245	-	6,562,245
Sweep accounts	-	298,609	-	298,609
Corporate bonds	-	1,561,819	-	1,561,819
Municipal bonds	-	1,119,251	-	1,119,251
Total	<u>\$ -</u>	<u>\$ 14,405,659</u>	<u>\$ -</u>	<u>\$ 14,405,659</u>

Investments Highly Sensitive to Interest Rate Changes Risk

At December 31, 2022, the City held \$3,308,807, \$6,562,245, \$298,609, \$1,561,819 and \$1,119,251 in U.S. treasuries, U.S. agencies, sweep accounts, corporate bonds 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 28 years, maturing October 1, 2050.

City of Oak Creek

Notes to Financial Statements

December 31, 2022

Receivables

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

	<u>Total Net Receivables</u>	<u>Amounts Not Expected to be Collected Within One Year</u>
General Fund	\$ 17,717,155	\$ 11,300
Special Revenue, Emergency Medical Services Fund	4,248,883	-
Debt Service Fund	435,789	-
Capital Project, Capital Improvement Fund	11,491	-
Capital Projects Fund, TIF No. 8	2,524,747	-
Capital Projects Fund, TIF No. 11	4,386,276	-
Nonmajor Governmental Funds	<u>15,285,507</u>	<u>2,271,083</u>
 Total	 <u>\$ 44,609,848</u>	 <u>\$ 2,283,763</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:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes and special charges receivable for subsequent year	\$ 40,491,506	\$ -
ARPA grant funds	3,104,153	-
Accounts receivable not collected	-	80,077
Loans receivable not yet due	-	6,503
Special assessments not yet due	-	<u>1,948,943</u>
 Total unavailable/unearned revenue for governmental funds	 <u>\$ 43,595,659</u>	 <u>\$ 2,035,523</u>
 Unearned revenue included in liabilities	 \$ 3,104,153	
Unearned revenue included in deferred inflows	<u>40,491,506</u>	
 Total unearned revenue for governmental funds	 <u>\$ 43,595,659</u>	

City of Oak Creek

Notes to Financial Statements
December 31, 2022

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, 2022:

	Governmental Activities	Business-Type Activities	Total
Redemption account	\$ -	\$ 552,720	\$ 552,720
Reserve account	-	565,545	565,545
Depreciation account	-	17,000	17,000
Impact fee account	7,318,495	-	7,318,495
Asset forfeiture account	90,124	-	90,124
Pension	12,798,852	1,002,950	13,801,802
Total	<u>\$ 20,207,471</u>	<u>\$ 2,138,215</u>	<u>\$ 22,345,686</u>

City of Oak Creek

Notes to Financial Statements

December 31, 2022

Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 24,803,754	\$ 2,975,648	\$ -	\$ 27,779,402
Construction in progress	134,495	182,515	-	317,010
	<u>24,938,249</u>	<u>3,158,163</u>	<u>-</u>	<u>28,096,412</u>
Total capital assets not being depreciated				
Capital assets being depreciated/amortized:				
Land improvements	6,355,365	-	-	6,355,365
Buildings	46,540,339	497,342	-	47,037,681
Intangible asset, easements	5,400	-	(5,400)	-
Machinery and equipment	23,147,585	1,594,750	(1,320,509)	23,421,826
Bridges	286,370	-	-	286,370
Roads	81,157,836	2,211,602	(3,892,742)	79,476,696
Sidewalks	4,772,194	147,836	-	4,920,030
Street lighting	7,628,155	-	-	7,628,155
Storm sewers	26,630,318	-	-	26,630,318
	<u>196,523,562</u>	<u>4,451,530</u>	<u>(5,218,651)</u>	<u>195,756,441</u>
Total capital assets being depreciated/amortized				
Less accumulated depreciation/amortization for:				
Land improvements	(1,992,421)	(218,169)	-	(2,210,590)
Buildings	(13,170,301)	(1,241,235)	-	(14,411,536)
Intangible asset, easements	(5,400)	-	5,400	-
Machinery and equipment	(16,832,647)	(934,790)	1,067,799	(16,699,638)
Bridges	(34,368)	-	-	(34,368)
Roads	(14,526,455)	(725,937)	874,960	(14,377,432)
Sidewalks	(2,676,982)	(75,907)	-	(2,752,889)
Street lighting	(4,775,516)	(247,841)	-	(5,023,357)
Storm sewers	(13,689,049)	(490,210)	-	(14,179,259)
	<u>(67,703,139)</u>	<u>(3,934,089)</u>	<u>1,948,159</u>	<u>(69,689,069)</u>
Total accumulated depreciation/amortization				
Net capital assets being depreciated/amortized	<u>128,820,423</u>	<u>517,441</u>	<u>(3,270,492)</u>	<u>126,067,372</u>
Total governmental activities assets, net of accumulated depreciation/amortization				
	<u>\$ 153,758,672</u>	<u>\$ 3,675,604</u>	<u>\$ (3,270,492)</u>	<u>\$ 154,163,784</u>

City of Oak Creek

Notes to Financial Statements

December 31, 2022

Depreciation / amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 752,463
Public safety	763,913
Health and social services	550
Public works	2,029,334
Leisure activities	<u>387,829</u>
Total governmental activities depreciation/amortization expenses	<u>\$ 3,934,089</u>

Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water				
Capital assets not being depreciated:				
Land and land rights	\$ 242,750	\$ 52,300	\$ -	\$ 295,050
Construction in progress	<u>1,428,096</u>	<u>1,443,367</u>	<u>1,840,811</u>	<u>1,030,652</u>
Total capital assets being depreciated	<u>1,670,846</u>	<u>1,495,667</u>	<u>1,840,811</u>	<u>1,325,702</u>
Capital assets being depreciated/amortized:				
Source of supply	7,056,575	-	-	7,056,575
Pumping	9,010,683	92,114	-	9,102,797
Treatment	25,524,041	362,934	-	25,886,975
Transmission and distribution	77,446,365	1,036,945	126,641	78,356,669
Intangible	69,544	-	-	69,544
General	<u>4,981,752</u>	<u>413,777</u>	<u>73,884</u>	<u>5,321,645</u>
Total capital assets being depreciated/ amortized	<u>124,088,960</u>	<u>1,905,770</u>	<u>200,525</u>	<u>125,794,205</u>
Total capital assets	<u>125,759,806</u>	<u>3,401,437</u>	<u>2,041,336</u>	<u>127,119,907</u>
Less accumulated depreciation for:				
Source of supply	(2,862,749)	(121,346)	-	(2,984,095)
Pumping	(5,708,663)	(240,866)	-	(5,949,529)
Treatment	(14,196,719)	(841,885)	-	(15,038,604)
Transmission and distribution	(21,822,110)	(1,299,415)	(126,641)	(22,994,884)
Intangible	(24,063)	(10,431)	-	(34,494)
General	<u>(3,488,800)</u>	<u>(147,112)</u>	<u>(73,884)</u>	<u>(3,562,028)</u>
Total accumulated depreciation	<u>(48,103,104)</u>	<u>(2,661,055)</u>	<u>(200,525)</u>	<u>(50,563,634)</u>
Net water plant	<u>\$ 77,656,702</u>	<u>\$ 740,382</u>	<u>\$ 1,840,811</u>	<u>\$ 76,556,273</u>

City of Oak Creek

Notes to Financial Statements

December 31, 2022

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Sewer				
Capital assets not being depreciated:				
Land and land rights	\$ 13,145	\$ -	\$ -	\$ 13,145
Intangibles	16,175	-	-	16,175
Construction in progress	<u>761,050</u>	<u>422,580</u>	<u>975,199</u>	<u>208,431</u>
Total capital assets not being depreciated	<u>790,370</u>	<u>422,580</u>	<u>975,199</u>	<u>237,751</u>
Capital assets being depreciated/amortized:				
Collection system	47,710,673	838,027	6,035	48,542,665
Collection system pumping	216,164	-	-	216,164
General	<u>595,752</u>	<u>43,460</u>	<u>-</u>	<u>639,212</u>
Total capital assets being depreciated/amortized	<u>48,522,589</u>	<u>881,487</u>	<u>6,035</u>	<u>49,398,041</u>
Total capital assets	<u>49,312,959</u>	<u>1,304,067</u>	<u>981,234</u>	<u>49,635,792</u>
Less accumulated depreciation/amortization for:				
Collection system	(12,638,054)	(498,977)	(6,035)	(13,130,996)
Collection system pumping	(216,164)	-	-	(216,164)
General	<u>(542,232)</u>	<u>(47,904)</u>	<u>-</u>	<u>(590,136)</u>
Total accumulated depreciation/amortization	<u>(13,396,450)</u>	<u>(546,881)</u>	<u>(6,035)</u>	<u>(13,937,296)</u>
Net sewer plant	<u>\$ 35,916,509</u>	<u>\$ 757,186</u>	<u>\$ 975,199</u>	<u>\$ 35,698,496</u>
Business-type capital assets, net of depreciation/amortization	<u>\$ 113,573,211</u>	<u>\$ 1,497,568</u>	<u>\$ 2,816,010</u>	<u>\$ 112,254,769</u>

Depreciation/amortization expense was charged to functions as follows:

Business-Type Activities

Water	\$ 2,574,828
Sewer	<u>598,269</u>

Total business-type activities depreciation/ amortization expense \$ 3,173,097

Depreciation/amortization 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, 2022

Interfund Receivables/Payables, Transfers and Advances

Interfund Receivables/Payables

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	\$ 1,623,069	\$ -
General fund	Sewer utility	42,372	42,372
Capital projects fund, Capital improvement fund	Water utility	243,956	-
Special revenue fund, Economic development fund	Capital projects fund, TIF #7 Capital projects fund	314,900	314,900
Internal service fund, Health insurance fund	Water utility	176,900	-
Water utility	General fund	240,844	15,264
Sewer utility	General fund	175,079	-
Sewer utility	Special revenue fund, Storm water fund	2,605	-
Sewer utility	Special revenue fund, Special assessment fund	5,429	-
Sewer utility	Capital projects fund, Capital improvement fund	123,173	-
Water utility	Capital projects fund, Capital improvement fund	144,291	70,929
Water utility	Special revenue fund, Special assessment fund	346,524	283,711
Total, fund financial statements		3,439,142	
Less fund eliminations		(314,900)	
Less government-wide eliminations		(2,075,890)	
Total internal balances - government-wide statement of net position		<u>\$ 1,048,352</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, 2022

Transfers

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	\$ 1,627,538	Tax equivalent
General fund	Special revenue fund, Donation and activity fund	135,287	Library supplies
General fund	Special revenue fund, Economic Development	1,000,000	Future development
Special revenue fund, WE Energies	Capital projects fund, Capital improvement fund	1,000,000	Finance of capital projects
Special revenue fund, Storm water	Capital projects fund, Capital improvement fund	230,000	Finance of capital projects
Debt service funds, Debt amortization fund	Capital projects fund, Capital improvement fund	1,000,000	Street rehab
Debt service funds, Debt amortization fund	Debt service funds, Debt service	2,173,248	Finance debt
Capital projects fund, TID #7	Capital projects fund, Capital improvement fund	900,000	Finance of capital projects
Capital projects fund, TID #11	Capital projects fund, Capital improvement fund	220,000	Finance of capital projects
Capital projects fund, TID #12	Capital projects fund, Capital improvement fund	220,000	Finance of capital projects
Capital projects fund, TID #16	Capital projects fund, TID #13	220,000	Finance of capital projects
Special revenue fund, Future improvement fund	Capital projects fund, Capital improvement fund	5,750	Finance of capital projects
Special revenue fund, Impact fee fund	Capital projects fund, Capital improvement fund	276,870	Finance of capital projects
Special revenue fund, Impact fee fund	Debt service funds, Debt service	80,000	Finance debt
Special revenue fund, Tourism Commission fund	General fund	12,084	Special event reimbursement
Special revenue fund, ARPA fund	Capital projects fund, Capital improvement fund	650,622	Finance of capital projects
Special revenue fund, ARPA fund	Special revenue fund, Donation and activity fund	47,310	Finance Case Manager position
General fund	Capital projects fund, Capital improvement fund	1,164,392	Reimburse capital projects
Debt service funds, TID #6 debt service fund	Capital projects fund, TID #13	340,000	Finance of capital projects
Capital projects fund, TID #10	Capital projects fund, TID #13	225,000	Finance of capital projects
Subtotal, fund financials		11,528,101	
Less fund eliminations		(9,900,563)	
Total government-wide statement of activities		<u>\$ 1,627,538</u>	

City of Oak Creek

Notes to Financial Statements
December 31, 2022

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 initially set by the Commission at 0.34% and is variable thereafter based on the LGIP rate. Effective December 15, 2022, the Commission approved 3.97% 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:		
2023	\$ 219,667	\$ 62,272
2024	220,414	53,551
2025	271,163	44,801
2026	297,085	34,036
2027	298,095	22,241
2028	<u>262,142</u>	<u>10,407</u>
Total	<u>\$ 1,568,566</u>	<u>\$ 227,308</u>

City of Oak Creek

Notes to Financial Statements
December 31, 2022

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt:					
Notes and bonds	\$ 119,100,000	\$ 2,325,000	\$ 16,465,000	\$ 104,960,000	\$ 8,130,000
Add unamortized debt premium	2,590,469	-	334,916	2,255,553	-
Subtotal	121,690,469	2,325,000	14,549,916	107,215,553	8,310,000
Other liabilities:					
Vested compensated absences	1,390,546	745,376	863,336	1,272,586	235,019
Net OPEB liability, life	1,654,878	-	32,308	1,622,570	-
Total OPEB liability, health	36,798,502	5,483,478	-	42,281,980	-
Total other liabilities	39,843,926	6,228,854	895,644	45,177,136	235,019
Total governmental activities long-term liabilities	\$ 161,534,395	\$ 8,553,854	\$ 17,695,560	\$ 152,392,689	\$ 8,545,019
Business-Type Activities					
Bonds and notes payable:					
Revenue bonds	\$ 13,555,164	\$ -	\$ 1,135,555	\$ 12,419,609	\$ 1,160,367
Subtotal	13,555,164	-	1,135,555	12,419,609	1,160,367
Other liabilities:					
Net OPEB liability, life	276,888	-	44,855	232,033	-
Total OPEB liability, health	2,210,015	100,633	-	2,310,648	-
Pollution remediation obligation	2,295,600	-	-	2,295,600	-
Total other liabilities	4,782,503	100,633	44,855	4,838,281	-
Total business-type activities long-term liabilities	\$ 18,337,667	\$ 100,633	\$ 1,180,410	\$ 17,257,890	\$ 1,160,367

City of Oak Creek

Notes to Financial Statements

December 31, 2022

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, 2022 was \$261,334,825. Total general obligation debt outstanding at year end was \$104,960,000.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>
Governmental Activities					
General obligation debt:					
G.O. notes and bonds:					
2013 GO refunding bonds	04/02/13	04/01/32	2.00-3.75%	\$ 5,825,000	\$ 3,625,000
2014B GO refunding bonds	12/16/14	05/01/32	2.00-3.37	2,725,000	1,675,000
2015A GO refunding bonds	01/20/15	06/01/34	2.00-4.00	19,650,000	14,425,000
2016C GO refunding bonds	10/18/16	10/01/32	2.00-4.00	17,125,000	13,875,000
2016D GO refunding bonds	10/18/16	10/01/32	2.00-3.15	5,925,000	4,775,000
2017B GO refunding bonds	08/01/17	03/01/37	3.85-4.00	2,900,000	2,735,000
2018A GO refunding bonds	04/03/18	04/01/32	3.57-4.00	8,900,000	7,600,000
2018B GO refunding bonds	08/30/18	04/01/27	2.00-4.00	5,175,000	3,525,000
2018C GO refunding bonds	08/30/18	04/01/27	3.00-4.00	5,140,000	3,690,000
2018D GO refunding bonds	11/27/18	10/01/32	3.95-4.25	5,100,000	4,630,000
2019B GO refunding bonds	08/01/19	10/01/24	2.10-2.25	1,030,000	350,000
2019C GO refunding bonds	08/01/19	10/01/36	3.00-4.00	3,925,000	3,925,000
2020 GO refunding bond	01/06/20	04/01/30	3.00-4.00	4,075,000	3,330,000
2020 GO promissory note	01/06/20	04/01/29	1.80-2.50	1,135,000	900,000
2020 GO refunding bond	04/01/20	10/01/29	1.90-2.40	835,000	665,000
2020C GO refunding bond	04/01/20	10/01/29	1.75-2.70	5,070,000	4,355,000
2020D GO refunding bond	04/01/20	10/01/23	1.75-1.95	5,160,000	995,000
2021A GO promissory notes	05/20/21	04/01/31	0.25-2.00	3,945,000	3,780,000
2021B note anticipation notes	07/28/21	04/01/24	2.00	16,220,000	16,220,000
2021C GO refunding bonds	12/29/21	12/01/32	2.00-4.00	6,030,000	5,070,000
2021D GO promissory notes	12/29/21	04/01/28	0.35-1.70	2,585,000	2,490,000
2022 GO refunding bonds	04/06/22	04/01/36	1.45-3.05	2,325,000	<u>2,325,000</u>
Total governmental activities, general obligation debt					<u>\$ 104,960,000</u>

City of Oak Creek

Notes to Financial Statements
December 31, 2022

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

	Governmental Activities General Obligation Notes and Bonds	
	Principal	Interest
Years ending December 31:		
2023	\$ 8,130,000	\$ 3,134,114
2024	23,815,000	2,695,319
2025	8,060,000	2,277,197
2026	8,485,000	2,002,447
2027	8,870,000	1,712,726
2028-2032	41,415,000	4,521,019
2033-2037	6,185,000	337,240
Total	<u>\$ 104,960,000</u>	<u>\$ 16,680,062</u>

Revenue Debt

The City has pledged future water revenues, net of specified operating expenses, to repay outstanding 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 \$13,668,061. Principal and interest paid for the current year and total customer net revenues were \$1,371,294 and \$8,362,082 respectively. Future principal and interest payments are expected to require 44% of net revenues.

Revenue debt payable at December 31, 2022 consists of the following:

Business-Type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Water utility revenue bonds	01/13/10	05/01/29	2.668%	\$ 791,863	\$ 338,610
Water utility revenue bonds	11/23/11	05/01/31	2.20	5,889,583	2,968,578
Water utility revenue bonds	05/22/13	05/01/33	1.925	2,594,795	1,548,447
Water utility revenue bonds	05/28/14	05/01/34	1.925	4,850,988	3,353,974
Water utility revenue bonds	11/12/20	12/01/31	1.67	4,705,000	4,210,000
Total business-type activities revenue debt					<u>\$ 12,419,609</u>

City of Oak Creek

Notes to Financial Statements
December 31, 2022

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:				
2023	\$ 435,000	\$ 57,280	\$ 725,367	\$ 161,152
2024	450,000	54,235	740,493	145,868
2025	430,000	50,410	755,936	130,261
2026	440,000	46,110	771,705	114,327
2027	450,000	40,610	787,806	98,057
2028-2032	2,005,000	92,218	3,660,128	244,568
2033-2034	-	-	768,174	13,356
Total	\$ 4,210,000	\$ 340,863	\$ 8,209,609	\$ 907,589

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.

Current Refunding

On April 6, 2022, the City issued \$2,325,000 of general obligation promissory notes with an average coupon rate of 2.51% to refund \$2,255,000 of outstanding notes with an average coupon rate of 1.95%. The net proceeds were used to prepay the outstanding debt. The cash flow requirements on the refunded debt prior to the current refunding was \$2,298,973 from 2022 through 2023. The cash flow requirements on the refunding bonds are \$2,832,694 from 2023 through 2036. Because the refunded notes was a short-term obligation, there was no economic gain or loss reported.

Lease Disclosures

Lessor - Lease Receivables

Business-Type Activities

Lease Receivables Description	Date of Inception	Final Maturity	Interest Rates	Receivable Balance 12/31/22
Cellular antennas on water towers	1995-2013	2032-2046	0.5%	\$ 10,860,619

The City recognized \$350,318 of lease revenue during the year.

The City recognized \$16,587 of interest revenue during the year.

City of Oak Creek

Notes to Financial Statements
December 31, 2022

Net Position/Fund Balances

Net position reported on the government wide statement of net position at December 31, 2022 includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 27,779,402
Construction in progress	317,010
Other capital assets, net of accumulated depreciation	126,067,372
Less related long-term debt and premium outstanding (excluding noncapital debt)	(82,001,553)
Add unspent proceeds of capital-related debt included above	-
Total net investment in capital assets	<u>72,162,231</u>

Restricted:

TID activity	4,402,344
Storm Water	676,450
Donation and activity	2,334,766
Asset forfeiture	90,615
WE Energies	230,511
Special assessments	2,780,133
Economic development	1,749,275
Tourism commission	363,811
Park escrow	64,737
Low income loans	7,825
ARPA	58,456
Developer agreement	2,019
Pension	12,798,852
Impact fees	<u>7,318,495</u>

Total restricted 32,878,289

Unrestricted (deficit) (42,878,258)

Total governmental activities net position \$ 62,162,262

City of Oak Creek

Notes to Financial Statements
December 31, 2022

Governmental fund balances reported on the fund financial statements at December 31, 2022 include the following:

Nonspendable Fund Balance

Major fund:

General fund:

Inventories	\$	136,151
Delinquent personal property taxes		1,380
Noncurrent receivables from other funds		11,300

Total nonspendable fund balance \$ 148,831

Restricted Fund Balance

Major funds:

Debt service, debt service fund	\$	4,298
Debt service, debt amortization fund		5,739
Capital projects, TIF No. 8 capital projects fund		91,179
Capital projects, TIF No. 11 capital projects fund		2,317,783

Total major funds 2,418,999

Nonmajor funds:

Special revenue funds:

Donation and activity	2,334,766
We Energies fund	230,511
Low income loan	7,825
Special assessments	2,780,133
Economic development	1,749,275
Impact fee escrow	7,318,495
Asset forfeiture	90,615
Storm water	676,450
Tourism commission	363,811
Park escrow	64,737
ARPA	58,456

Debt service funds:

TIF No. 6 debt service	41,390
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Capital projects funds:

Developer Agreement	2,019
TIF No. 7 capital projects	163,676
TIF No. 10 capital projects	11,902
TIF No. 12 capital projects	782,001
TIF No. 13 capital projects	326,737
TIF No. 14 capital projects	124,466
TIF No. 15 capital projects	3,735
TIF No. 16 capital projects	539,475

Total nonmajor funds 17,670,475

Total restricted fund balance \$ 20,089,474

City of Oak Creek

Notes to Financial Statements
December 31, 2022

Committed Fund Balance

Major funds:	
Emergency Medical Services	\$ 1,647,633
Nonmajor funds:	
Special revenue funds:	
Solid waste	315,147
Consolidated dispatch services	253,826
	<u>568,973</u>
Total nonmajor funds	<u>568,973</u>
Total committed fund balance	<u>\$ 2,216,606</u>

Assigned Fund Balance

Major funds:	
General fund:	
Tax equivalent for subsequent year	\$ 1,627,538
Capital improvement fund	6,059,112
	<u>7,686,650</u>
Total assigned fund balance	<u>\$ 7,686,650</u>

Unassigned Fund Balance (Deficit)

Major funds:	
General fund	\$ 9,933,676
Nonmajor funds:	
Special revenue fund:	
Future improvement fund (deficit)	<u>(8,250)</u>
Total unassigned fund balance (deficit)	<u>\$ 9,925,426</u>

Business-Type Activities

Net investment in capital assets:	
Land and land rights	\$ 308,195
Intangible assets, net of amortization	51,225
Construction in progress	1,239,083
Other capital assets, net of accumulated depreciation	110,656,266
Less payables and accruals for capital assets	(370,450)
Less related long-term debt outstanding (excluding unspent capital related debt proceeds, net of unamortized loss on debt refunding)	<u>(12,240,710)</u>
Total net investment in capital assets	<u>99,643,609</u>
Restricted:	
Debt service	1,102,373
Pension	1,002,950
	<u>2,105,323</u>
Total restricted	<u>2,105,323</u>
Unrestricted	<u>34,153,534</u>
Total business-type activities net position	<u>\$ 135,902,466</u>

City of Oak Creek

Notes to Financial Statements
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Restatement of Net Position

Net position has been restated due to the implementation of GASB Statement No. 87 and to correct an error in recording special assessment as follows:

	Business-type Activities	Water Utility
Net position, December 31, 2021 (as reported)	\$ 130,960,073	\$ 85,107,549
Add lease receivable	11,210,937	11,210,937
Add special assessments	556,841	556,841
Less deferred inflows related to leases	<u>(11,210,937)</u>	<u>(11,210,937)</u>
Net position, December 31, 2021 (as restated)	<u>\$ 131,516,914</u>	<u>\$ 85,664,390</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 Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

Vesting

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

Benefits Provided

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

City of Oak Creek

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

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

The WRS also provides death and disability benefits for employees.

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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)
2020	1.7	21.0
2021	5.1	13.0

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 on 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.

City of Oak Creek

Notes to Financial Statements

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During the reporting period, the WRS recognized \$2,002,972 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2022 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (executives & elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	12.35%
Protective without Social Security	6.75%	16.95%

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

At December 31, 2022, the City reported an asset of \$13,801,802 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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, 2021, the City's proportion was 0.17123434%, which was an increase of 0.00125282% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension expense (revenue) of \$(1,139,063).

At December 31, 2022, 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	\$ 22,296,114	\$ 1,607,790
Changes in assumption	2,574,944	-
Net differences between projected and actual earnings on pension plan investments	-	30,875,780
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,673	14,361
Employer contributions subsequent to the measurement date	2,079,067	-
Total	<u>\$ 26,985,798</u>	<u>\$ 32,497,931</u>

City of Oak Creek

Notes to Financial Statements

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\$2,079,067 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, 2023. 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:	
2023	\$ (638,668)
2024	(3,732,344)
2025	(1,639,878)
2026	(1,580,310)

Actuarial Assumptions

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset)	December 31, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*:	1.7%

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	52%	6.8%	4.2%
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund	115	6.6	4.0
Variable Fund Asset Class			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate

A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Oak Creek

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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 6.80%, 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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	<u>1% Decrease to Discount Rate (5.80%)</u>	<u>Current Discount Rate (6.80%)</u>	<u>1% Increase to Discount Rate (7.80%)</u>
City of Oak Creek's proportionate share of the net pension liability/(asset)	\$ 9,793,357	\$ (13,801,802)	\$ (30,785,928)

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, 2022, the City reported a payable to the pension plan, 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.

Self-Insurance

For health claims, the uninsured risk of loss is \$100,000 deductible per individual and \$6,608,970 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, 2022, 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.

City of Oak Creek

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Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims, beginning of year	\$ 394,972	\$ 347,302
Current year claims and changes in estimates	6,761,571	6,016,079
Claim payments	<u>(6,809,241)</u>	<u>(5,994,397)</u>
Unpaid claims, end of year	<u>\$ 347,302</u>	<u>\$ 368,984</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, 2022. 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, 2022 were \$325,210.

The City of Oak Creek through its Tax Incremental Financing District (TID) 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% taxes paid for eight years. Aggregate incentive payments for the year ended December 31, 2022 were \$227,976.

The City of Oak Creek through its Tax Incremental Financing District (TID) 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 abatement is authorized through the TID project plan and development agreement. The developer pays property taxes as they become due, and after constructing the building as stated in the development agreement, are entitled to 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 equal to 85% of the taxes paid less the base value up to \$1,512,450 or as much as can be received by TID 8's mandatory termination date. Aggregate incentive payments for the year ended December 31, 2022 were \$0.

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% 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, 2022 were \$281,046.

City of Oak Creek

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The City of Oak Creek through its Tax Incremental Financing District (TID) 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, 2022 were \$0, (\$5,300,000 was paid in 2015).

The City of Oak Creek through its Tax Incremental Financing District (TID) 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, 2022 were \$0. (\$2,750,000 was paid in 2017).

The City of Oak Creek through its Tax Incremental Financing District (TID) 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, 2022 were \$0.

The City of Oak Creek through its Tax Incremental Financing District (TID) 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, 2022 were \$0.

City of Oak Creek

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The City of Oak Creek through its Tax Incremental Financing District (TID) 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, 2022 were \$0.

The City of Oak Creek through its Tax Incremental Financing District (TID) 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, 2022 were \$0.

The City of Oak Creek through its Tax Incremental Financing District (TID) 11 has entered into a grant agreement with developers in the form of a tax incremental financing incentive payments to stimulate economic development. The grant was 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, 2022 were \$0.

The City of Oak Creek through its Tax Incremental Financing District (TID) 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, 2022 were \$445,857.

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The City of Oak Creek through its Tax Incremental Financing District (TID) 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 abatement is authorized through the TID project plan and development agreement. The developer has agreed to meet a minimum assessed value on Phase I of \$14,900,000 effective 2022. 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 for Phase I of the project been determined using the Phase I minimum assessed value, and the actual real estate taxes. Aggregate incentive payments for the year ended December 31, 2022 were \$0.

The City of Oak Creek through its Tax Incremental Financing District (TID) 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 abatement is authorized through the TID project plan and development agreement. The developer pays property taxes as they become due, and after constructing the building as stated in the development agreement, is entitled to future incentive payments that directly correlate to the taxes paid. The incentive is calculated based on the increment derived specifically from the parcels as stated in the developer agreement. The developer receives payments back of 90% of the taxes paid less the base value up to \$6,900,000 or as much as can be received by TID 12's mandatory termination date. Aggregate incentive payments for the year ended December 31, 2022 were \$0.

The City of Oak Creek through its Tax Incremental Financing District (TID) 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 abatement is authorized through the TID project plan and development agreement. The developer pays property taxes as they become due, and after constructing the building as stated in the development agreement, is entitled to future incentive payments that directly correlate to the taxes paid. The incentive is calculated based on the increment derived specifically from the parcels as stated in the developer agreement. The developer receives payments back of 95% of the taxes paid less the base value up to \$5,300,000 or as much as can be received by TID 12's mandatory termination date. Aggregate incentive payments for the year ended December 31, 2022 were \$0.

The City of Oak Creek through its Tax Incremental Financing District (TID) 13 has entered into a tax abatement agreement with developers in the form of a tax incremental financing incentive payment to stimulate economic development. The abatement is authorized through the TID project plan and development agreement. The developer has agreed to meet a minimum assessed value of \$27,375,000 effective 2024, with a 1.5% increase each year during the terms of development agreement. In 2027, the minimum assessed value will be \$81,190,000 with a 1.5% increase each year for the duration of Phase 1. 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 for Phase 1 of the project been determined using the Phase 1 minimum assessed value and the actual real estate taxes. Aggregate incentive payments for the year ended December 31, 2022 were \$0.

City of Oak Creek

Notes to Financial Statements

December 31, 2022

The City of Oak Creek through its Tax Incremental Financing District (TID) 14 has entered into an agreement with developers in the form of a tax incremental financing incentive payment to stimulate economic development. The grant is authorized through the TID project plans and development agreement. The developer could receive a grant of up to \$1,081,250, providing a project cost statement that confirms costs incurred by the developer. If developer costs were less than \$1,961,250, the City grant payable should be reduced by the amount of savings. The developer agreed to meet a minimum assessed value commencing in 2020 of \$10,639,600 for the duration of the Agreement. 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 value and the actual real estate taxes. Aggregate incentive payments for the year ended December 31, 2022 were \$0.

The City of Oak Creek through its Tax Incremental Financing District (TID) 15 has entered into a tax abatement agreement with developers in the form of a tax incremental financing incentive payment to stimulate economic development. The abatement is authorized through the TID project plan and development agreement. The developer is entitled to 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 the taxes paid less the base value up to \$550,000 or as much as can be received by TID 15's mandatory termination date. Aggregate incentive payments for the year ended December 31, 2022 were \$71,844.

The City of Oak Creek through its Tax Incremental Financing District (TID) 16 has entered into a tax abatement agreement with developers in the form of a tax incremental financing incentive payment to stimulate economic development. The abatement is authorized through the TID project plan and development agreement. The developer is entitled to 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. Per agreement, taxes paid over annual debt payments, \$350,000 for neighborhood park, and \$25,000 for administrative costs, will be returned up to \$20,779,090. Aggregate incentive payments for the year ended December 31, 2022 were \$2,581,042.

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.

City of Oak Creek

Notes to Financial Statements
December 31, 2022

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% 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% 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% 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% 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%). After May 4, 2010 retirees pay same as current employees (10%). 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% 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.

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 hired after 01/01/09 are not. Future retirees are required to pay 10% 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% of the premium. 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, 2022

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%; those who retiree before 12/31/11 pay 20%. Future retirees are required to pay 20% 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, 2022 the following employees were covered by the benefit terms:

Inactive plan members and spouses currently receiving benefit payments	256
Active plan members	<u>148</u>
	<u>404</u>

Total OPEB Liability

The City's total OPEB liability of \$44,592,628 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2022.

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 (1.06%) or 1-percentage-point higher 3.06%) than the current discount rate:

	<u>1% Decrease (1.06%)</u>	<u>Discount Rate (2.06%)</u>	<u>1% Increase (3.06%)</u>
Total OPEB liability	\$ 49,099,987	\$ 44,592,628	\$ 40,684,292

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.06%
Salary increases	Merit increases of 0.4 %to 3.50% for general employees and 0.50% to 4.80% for protective employees depending upon length of service plus 3.00% for inflation.
Healthcare cost trend rates	5.60% increasing 0.4% for two years then decreasing to 3.70% in 2073 and level thereafter
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.

City of Oak Creek

Notes to Financial Statements

December 31, 2022

Mortality rates were based on the 2020 WRS Experience Table as the base table and projected with mortality improvements using 100% of the fully generational MP-2021 projection scale from a base year of 2010.

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period 2018-2020.

Healthcare cost trend rates were based on the "Getzen" model published by the Society of Actuaries for purposes of evaluating long term medical trend.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2021	<u>\$ 39,008,517</u>
Charges for the year:	
Service cost	698,873
Interest	818,131
Effect of economic/demographic gains or losses	3,182,329
Changes in assumptions or other inputs	3,129,181
Benefit payments	<u>(2,244,403)</u>
Net changes	<u>5,584,111</u>
Balance at December 31, 2022	<u>\$ 44,592,628</u>

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 (4.60% decreasing to 2.70%) or 1-percentage-point higher (6.60% increasing to 4.70%) than the current healthcare cost trend rates:

	1% Decrease (4.60% Decreasing to 2.70%)	Current Trend Rate (5.60% Decreasing to 3.70%)	1% Increase (6.60% Decreasing to 4.70%)
Total OPEB liability	\$ 40,328,687	\$ 44,592,628	\$ 49,562,824

City of Oak Creek

Notes to Financial Statements

December 31, 2022

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

For the year ended December 31, 2022 the City recognized OPEB expense of \$1,393,847. At December 31, 2022 the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,716,492	\$ -
Changes of assumptions or other inputs	4,489,032	677,182
Employer contributions, subsequent to the measurement date	2,923,024	-
Total	<u>\$ 10,128,548</u>	<u>\$ 677,182</u>

\$2,923,024 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, 2023. Amounts reported as deferred outflows of resource related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflow of Resources and Deferred Inflows of Resources (Net)
Years ending December 31	
2023	\$ 1,933,031
2024	1,951,193
2025	1,856,108
2026	798,010

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at the link above.

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.

City of Oak Creek

Notes to Financial Statements

December 31, 2022

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.

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, 2022 are:

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

Member 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	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
34-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$6,422 in contribution from the employer.

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

At December 31, 2022, the City reported a liability of \$1,854,603 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. 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, 2021, the City's proportion was 0.3173880%, which was a decrease of 0.0373960% from its proportion measured as of December 31, 2020.

City of Oak Creek

Notes to Financial Statements
December 31, 2022

For the year ended December 31, 2022, the City recognized OPEB expense of \$209,590.

At December 31, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 94,343
Changes in assumptions	560,339	89,893
Net differences between projected and actual earnings on OPEB plan investments	24,130	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	37,635	138,577
Employer contributions subsequent to the measurement date	7,976	-
Total	<u>\$ 630,080</u>	<u>\$ 322,813</u>

\$7,976 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, 2023. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
Years ending December 31:	
2023	\$ 76,531
2024	73,731
2025	63,394
2026	80,302
2027	25,317
Thereafter	(19,984)

City of Oak Creek

Notes to Financial Statements
December 31, 2022

Actuarial Assumptions

The net OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability	December 31, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality and separation rates. The Total OPEB Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 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 are held with Securian, the insurance carrier. Interest is calculated and credited to 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.

State OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2021

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
US Intermediate Credit Bonds	Bloomberg US Interm Credit	45%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5.0	1.82
US Mortgages	Bloomberg US MBS	50	1.94
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. 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. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

City of Oak Creek

Notes to Financial Statements

December 31, 2022

Single Discount Rate

A single discount rate of 2.17% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. 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 2.17%, 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 (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

	<u>1% Decrease to Discount Rate (1.17%)</u>	<u>Current Discount Rate (2.17%)</u>	<u>1% Increase to Discount Rate (3.17%)</u>
City's proportionate share of the net OPEB liability	\$ 2,516,028	\$ 1,854,603	\$ 1,356,908

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 2022, 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. 94, *Public-Private and Public-Public Relationships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

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

REQUIRED SUPPLEMENTARY INFORMATION

City of Oak Creek

 Budgetary Comparison Schedule -
 General Fund
 Year Ended December 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes:			
General property taxes	\$ 15,957,295	\$ 15,952,892	\$ (4,403)
Motel room tax	457,000	457,000	-
Mobile home taxes	64,000	55,174	(8,826)
Motor vehicle taxes	4,300	4,005	(295)
Other taxes	20,000	2,292	(17,708)
Total	<u>16,502,595</u>	<u>16,471,363</u>	<u>(31,232)</u>
Intergovernmental revenues:			
Shared taxes from state	2,998,566	2,999,712	1,146
State transportation aids	2,273,114	2,273,114	-
State computer aids	133,593	133,593	-
Other state aids	6,000	4,159	(1,841)
Health department block grant	4,500	17,166	12,666
Video service aid	87,070	87,070	-
Police grants	228,983	267,725	38,742
Total	<u>5,731,826</u>	<u>5,782,539</u>	<u>50,713</u>
Regulation and compliance:			
Licenses:			
Liquor and beer	63,200	61,472	(1,728)
Publishing fees	900	840	(60)
Operators	28,000	28,130	130
Amusement devices	8,500	6,030	(2,470)
Amusement operators	1,200	1,350	150
Miscellaneous, business	9,750	9,210	(540)
Miscellaneous, nonbusiness	75	25	(50)
DATCP	88,850	104,060	15,210
Late sanitarian license renewal	500	990	490
Sanitarian plan review	3,000	1,390	(1,610)
Permits:			
Building	452,000	933,977	481,977
Electrical	110,000	181,221	71,221
Plumbing	90,000	147,550	57,550
Street opening	7,500	19,417	11,917
Erosion control	12,500	10,156	(2,344)
Temp food	2,000	645	(1,355)
Sundry	500	60	(440)
Landscape, lighting & sign review	4,000	8,750	4,750
Cable TV	240,000	261,260	21,260
AT&T video service	80,000	68,036	(11,964)
Court fines	425,000	440,832	15,832
Bail service fee	800	-	(800)
Total	<u>1,628,275</u>	<u>2,285,401</u>	<u>657,126</u>

See notes to required supplementary information

City of Oak Creek

 Budgetary Comparison Schedule -
 General Fund
 Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance With Final Budget
Public charges for services:			
General government			
Property status letter fees	\$ 8,000	\$ 14,790	\$ 6,790
Administrative fees	28,000	39,984	11,984
Photo copies sold	1,500	800	(700)
Zoning/housing appeal fees	800	500	(300)
Rezoning petitions and filing fees	3,000	4,650	1,650
Text amendment fees	500	1,000	500
Right of way vacation fees	575	-	(575)
Special use request fees	12,000	29,375	17,375
Filing fee, certified survey maps	7,000	5,775	(1,225)
Expedited review fees	-	1,838	1,838
Plan commission agenda fees	14,000	32,150	18,150
Map amendments	1,200	2,000	800
Subdivision plat fees	1,000	3,875	2,875
Maps sold	25	18	(7)
Temporary use permit	-	300	300
Zoning code letter of interpretation	-	1,050	1,050
Certificate of zoning compliance	-	500	500
Home occupation permit	-	150	150
Condominium plats	-	3,500	3,500
Sidewalk/outdoor dining permit	-	25	25
Temporary sign	-	770	770
Public safety:			
State DWI seizures	1,500	-	(1,500)
Police special event service fees	4,000	17,638	13,638
Police patrol service fees	1,000	1,395	395
Miscellaneous fees	2,000	615	(1,385)
Copies of police and fire reports	3,000	1,866	(1,134)
False alarm penalties	7,500	17,850	10,350
Health and sanitation:			
Health department:			
Clinic fees	9,000	20,166	11,166
Pet license fees/humane society	12,500	10,436	(2,064)
Public works:			
Weed cutting	8,000	5,380	(2,620)
Sale of culvert pipe	10,000	18,089	8,089
Culvert installation	2,000	4,787	2,787
Facilities maintenance, school district	-	46,405	46,405
Library:			
Other income	20,000	10,284	(9,716)
Photocopies	7,000	7,305	305
Recreation	83,905	73,498	(10,407)
Sanitarian:			
Pre-inspection	5,000	6,784	1,784
Regular service fee	2,000	775	(1,225)
Miscellaneous charges for services	2,000	1,080	(920)
Total	<u>258,005</u>	<u>387,403</u>	<u>129,398</u>
Investment income:			
Investment loss	50,000	(321,143)	(371,143)
Taxes	70,000	121,237	51,237
Total	<u>120,000</u>	<u>(199,906)</u>	<u>(319,906)</u>
Miscellaneous income:			
AT&T American tower lease	31,740	31,740	-
South Suburban Chamber Lease	12,000	-	(12,000)
Insurance incentives	25,000	97,381	72,381
Insurance recoveries	9,000	1,078,296	1,069,296
P-card rebates	15,000	17,565	2,565
Scrap poles	-	650	650
Miscellaneous revenues	10,000	2,709	(7,291)
Total	<u>102,740</u>	<u>1,228,341</u>	<u>1,125,601</u>

See notes to required supplementary information

City of Oak Creek

 Budgetary Comparison Schedule -
 General Fund
 Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance With Final Budget
Interfund charges for services:			
Engineering and administration charged to capital projects	\$ -	\$ -	\$ -
Engineering and administration charged to TID projects	300,000	325,000	25,000
Highway equipment service fee	44,000	27,417	(16,583)
Administrative services charged to enterprise funds	45,000	45,000	-
Engineering fees, developer	-	5	5
Miscellaneous charges for services	41,200	41,200	-
Total	<u>430,200</u>	<u>438,622</u>	<u>8,422</u>
Total revenues	<u>24,773,641</u>	<u>26,393,763</u>	<u>1,620,122</u>
Expenditures			
General government:			
General government	5,506,142	2,855,055	2,651,087
Building maintenance	729,437	676,040	53,397
City administrator	312,029	367,744	(55,715)
Data processing	1,200,391	1,160,739	39,652
City clerk	242,100	242,527	(427)
Treasurer	236,775	140,678	96,097
Finance	418,073	370,086	47,987
Assessor	220,198	215,898	4,300
Attorney and legal	262,065	192,290	69,775
Community development	406,286	350,433	55,853
Total	<u>9,533,496</u>	<u>6,571,490</u>	<u>2,962,006</u>
Public safety:			
Police department	9,489,195	9,396,724	92,471
Emergency operations	18,649	11,894	6,755
Fire department	2,217,492	2,198,061	19,431
Inspection	496,185	468,651	27,534
Other	105,566	105,392	174
Total	<u>12,327,087</u>	<u>12,180,722</u>	<u>146,365</u>
Health and social services:			
Health department	616,430	572,865	43,565
Total	<u>616,430</u>	<u>572,865</u>	<u>43,565</u>
Public works:			
Engineering	701,574	626,937	74,637
Streets	3,826,565	3,607,439	219,126
Total	<u>4,528,139</u>	<u>4,234,376</u>	<u>293,763</u>
Leisure activities:			
Conservation and recreation	390,200	376,284	13,916
Library	1,099,695	1,064,439	35,256
Parks	556,372	557,747	(1,375)
Total	<u>2,046,267</u>	<u>1,998,470</u>	<u>47,797</u>
Total expenditures	<u>29,051,419</u>	<u>25,557,923</u>	<u>3,493,496</u>
Other Financing Sources (Uses)			
Sale of property	20,000	58,743	38,743
Transfer in	25,000	12,084	(12,916)
Transfer in, tax equivalent	1,800,000	1,627,538	(172,462)
Transfer out	-	(2,299,679)	(2,299,679)
Total other financing sources (uses)	<u>1,845,000</u>	<u>(601,314)</u>	<u>(2,446,314)</u>
Net change in fund balance	<u>\$ (2,432,778)</u>	<u>234,526</u>	<u>\$ 2,667,304</u>
Fund Balance, Beginning		<u>11,475,519</u>	
Fund Balance, Ending		<u>\$ 11,710,045</u>	

See notes to required supplementary information

City of Oak Creek

Budgetary Comparison Schedule -
Emergency Medical Services Fund - Special Revenue Fund
Year Ended December 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes	\$ 3,908,890	\$ 3,908,890	\$ -
Intergovernmental	170,822	218,109	47,287
Public charges for services	1,518,181	1,918,783	400,602
Investment income	500	18,931	18,431
Misc revenue	240	1,021	781
	<u>5,598,633</u>	<u>6,065,734</u>	<u>467,101</u>
Expenditures			
Current:			
Public safety	<u>5,598,633</u>	<u>5,687,491</u>	<u>(88,858)</u>
	<u>5,598,633</u>	<u>5,687,491</u>	<u>(88,858)</u>
Net change in fund balance	<u>\$ -</u>	<u>378,243</u>	<u>\$ 378,243</u>
Fund Balance, Beginning		<u>1,269,390</u>	
Fund Balance, Ending		<u>\$ 1,647,633</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, 2022

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB Liability					
Service cost	\$ 649,113	\$ 717,788	\$ 660,328	\$ 611,097	\$ 698,873
Interest	1,366,954	1,288,751	1,436,753	1,010,643	818,131
Effect of economic/demographic gains or losses	-	-	570,464	-	3,182,329
Changes in assumptions or other inputs	1,253,995	(2,314,550)	1,364,493	2,227,535	3,129,181
Benefit payments	<u>(2,022,000)</u>	<u>(2,052,298)</u>	<u>(2,061,974)</u>	<u>(2,213,889)</u>	<u>(2,244,403)</u>
Net change in total OPEB Liability	1,248,062	(2,360,309)	1,970,064	1,635,386	5,584,111
Total OPEB Liability, Beginning	<u>36,515,314</u>	<u>37,763,376</u>	<u>35,403,067</u>	<u>37,373,131</u>	<u>39,008,517</u>
Total OPEB Liability, Ending	<u>\$ 37,763,376</u>	<u>\$ 35,403,067</u>	<u>\$ 37,373,131</u>	<u>\$ 39,008,517</u>	<u>\$ 44,592,628</u>
Covered-employee payroll	<u>\$ 19,862,279</u>	<u>\$ 20,287,297</u>	<u>\$ 21,579,696</u>	<u>\$ 21,697,445</u>	<u>\$ 22,158,783</u>
Total OPEB liability as a percentage of covered-employee payroll	190.13%	174.51%	173.19%	179.78%	201.24%

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, 2022

<u>Plan Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
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%
12/31/20	0.35118400%	1,931,766	19,064,000	10.13%	31.36%
12/31/21	0.31378800%	1,854,603	20,720,000	8.95%	29.57%

Schedule of Employer Contributions - Local Retiree Life Insurance Fund
 Year Ended December 31, 2022

<u>City Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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%
12/31/21	7,833	7,833	-	19,210,779	0.04%
12/31/22	7,976	7,976	-	19,808,210	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, 2022

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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%
12/31/20	0.16998152%	(10,612,182)	21,581,421	49.17%	105.26%
12/31/21	0.17123434%	(13,801,802)	21,697,445	63.61%	106.02%

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2022

City Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
12/31/21	2,067,579	2,067,579	-	21,697,445	9.53%
12/31/22	2,079,067	2,079,067	-	22,158,783	9.38%

See notes to required supplementary information

City of Oak Creek

Notes to Required Supplementary Information
December 31, 2022

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 2.

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 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 WRS.

Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

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. Changes in assumptions from the previous study are as follows:

- The discount rate was changed from 2.12% to 2.06%
- Expected claims and medical trend rates were changed to reflect the anticipated experience under the most recent Getzen model application
- The participation rate for employees currently participating in the group health plan was changed from 99% to 90% based on recent experience

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 in benefit terms. There were no changes of benefit terms for any participating employer in the Local Retiree Life Insurance Fund.

Changes in assumptions. In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.0% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

SUPPLEMENTARY INFORMATION

City of Oak Creek
 Combining Balance Sheet -
 Nonmajor Governmental Funds
 December 31, 2022

	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	ARPA Fund
Assets														
Cash and investments	\$ 429,542	\$ 2,340,912	\$ 255,606	\$ 7,825	\$ 2,722,426	\$ 1,435,405	\$ 326,860	\$ -	\$ 491	\$ 702,356	\$ 252,229	\$ 379,693	\$ 64,737	\$ 3,162,609
Restricted cash and investments	-	-	-	-	-	-	-	7,318,495	90,124	-	-	-	-	-
Taxes receivable	1,369,553	-	-	-	94,023	-	-	-	-	1,131,878	1,707,861	-	-	-
Accounts receivable	75	33,188	-	-	-	-	-	-	-	-	31,033	220	-	-
Special assessments receivable	-	-	-	-	2,264,580	-	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	6,503	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	314,900	-	-	-	-	-	-	-	-
Total assets	\$ 1,799,170	\$ 2,374,100	\$ 255,606	\$ 14,328	\$ 5,081,029	\$ 1,750,305	\$ 326,860	\$ 7,318,495	\$ 90,615	\$ 1,834,234	\$ 1,991,123	\$ 379,913	\$ 64,737	\$ 3,162,609
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)														
Liabilities														
Accounts payable	\$ 111,492	\$ 38,979	\$ 6,769	\$ -	\$ -	\$ (9)	\$ -	\$ -	\$ -	\$ 13,731	\$ 771	\$ 14,756	\$ -	\$ -
Accrued liabilities	2,978	355	18,326	-	-	1,039	-	-	-	9,570	28,665	1,346	-	-
Deposits	-	-	-	-	-	-	335,110	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	351,953	-	-	-	-	2,605	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	3,104,153
Total liabilities	114,470	39,334	25,095	-	351,953	1,030	335,110	-	-	25,906	29,436	16,102	-	3,104,153
Deferred Inflows of Resources														
Unearned revenues	1,369,553	-	-	-	-	-	-	-	-	1,131,878	1,707,861	-	-	-
Unavailable revenues	-	-	-	6,503	1,948,943	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	1,369,553	-	-	6,503	1,948,943	-	-	-	-	1,131,878	1,707,861	-	-	-
Fund Balances (Deficit)														
Restricted	-	2,334,766	230,511	7,825	2,780,133	1,749,275	-	7,318,495	90,615	676,450	-	363,811	64,737	58,456
Committed	315,147	-	-	-	-	-	-	-	-	-	253,826	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	(8,250)	-	-	-	-	-	-	-
Total fund balances (deficit)	315,147	2,334,766	230,511	7,825	2,780,133	1,749,275	(8,250)	7,318,495	90,615	676,450	253,826	363,811	64,737	58,456
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 1,799,170	\$ 2,374,100	\$ 255,606	\$ 14,328	\$ 5,081,029	\$ 1,750,305	\$ 326,860	\$ 7,318,495	\$ 90,615	\$ 1,834,234	\$ 1,991,123	\$ 379,913	\$ 64,737	\$ 3,162,609

City of Oak Creek
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2022

	Debt Service Fund	Capital Projects Funds								Total Nonmajor Governmental Funds
	TIF No. 6	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	
Assets										
Cash and investments	\$ 41,512	\$ (28,901)	\$ 1,480,913	\$ 12,024	\$ 782,124	\$ 379,495	\$ 124,589	\$ 3,857	\$ 541,174	\$ 15,417,478
Restricted cash and investments	-	-	-	-	-	-	-	-	-	7,408,619
Taxes receivable	322,378	-	2,286,514	425,804	1,650,061	97,482	158,620	108,334	3,576,321	12,928,829
Accounts receivable	-	21,079	-	-	-	-	-	-	-	85,595
Special assessments receivable	-	-	-	-	-	-	-	-	-	2,264,580
Loans receivable	-	-	-	-	-	-	-	-	-	6,503
Due from other funds	-	-	-	-	-	-	-	-	-	314,900
Total assets	\$ 363,890	\$ (7,822)	\$ 3,767,427	\$ 437,828	\$ 2,432,185	\$ 476,977	\$ 283,209	\$ 112,191	\$ 4,117,495	\$ 38,426,504
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)										
Liabilities										
Accounts payable	\$ 122	\$ (9,841)	\$ 1,002,337	\$ 122	\$ 123	\$ 52,758	\$ 123	\$ 122	\$ 1,699	\$ 1,234,054
Accrued liabilities	-	-	-	-	-	-	-	-	-	62,279
Deposits	-	-	-	-	-	-	-	-	-	335,110
Due to other funds	-	-	314,900	-	-	-	-	-	-	669,458
Unearned revenues	-	-	-	-	-	-	-	-	-	3,104,153
Total liabilities	122	(9,841)	1,317,237	122	123	52,758	123	122	1,699	5,405,054
Deferred Inflows of Resources										
Unearned revenues	322,378	-	2,286,514	425,804	1,650,061	97,482	158,620	108,334	3,576,321	12,834,806
Unavailable revenues	-	-	-	-	-	-	-	-	-	1,955,446
Total deferred inflows of resources	322,378	-	2,286,514	425,804	1,650,061	97,482	158,620	108,334	3,576,321	14,790,252
Fund Balances (Deficit)										
Restricted	41,390	2,019	163,676	11,902	782,001	326,737	124,466	3,735	539,475	17,670,475
Committed	-	-	-	-	-	-	-	-	-	568,973
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	(8,250)
Total fund balances (deficit)	41,390	2,019	163,676	11,902	782,001	326,737	124,466	3,735	539,475	18,231,198
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 363,890	\$ (7,822)	\$ 3,767,427	\$ 437,828	\$ 2,432,185	\$ 476,977	\$ 283,209	\$ 112,191	\$ 4,117,495	\$ 38,426,504

City of Oak Creek

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Year Ended December 31, 2022

	Special Revenue Funds										Consolidated Dispatch Services Fund	Tourism Commission Fund	Park Escrow Fund	ARPA Fund
	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				
Revenues														
Taxes	\$ 1,360,483	\$ -	\$ -	\$ -	\$ -	\$ 81,392	\$ -	\$ -	\$ -	\$ -	\$ 1,521,979	\$ 436,668	\$ -	\$ -
Intergovernmental	94,732	601,238	-	-	-	-	-	-	-	-	300,969	-	-	697,933
Public charges for service	5,640	-	-	-	-	-	-	1,795,724	-	1,123,636	-	-	31,069	-
Special assessments / developer contributions	-	-	-	-	152,027	-	-	-	-	-	-	-	-	-
Investment income	7,041	23,195	13,759	-	37,985	4,064	-	75,914	46	10,826	6,012	976	-	57,917
Miscellaneous	-	366,725	2,250,000	-	-	-	-	-	29,135	-	-	99,462	-	-
Total revenues	1,467,896	991,158	2,263,759	-	190,012	85,456	-	1,871,638	29,181	1,134,462	1,828,960	537,106	31,069	755,850
Expenditures														
Current:														
General government	-	275,803	378	-	-	-	-	-	-	-	-	402,358	-	-
Public safety	-	44,839	1,217,278	-	-	-	-	-	8,381	-	-	-	-	-
Public works	1,467,215	-	-	-	-	-	-	-	-	721,311	-	-	-	-
Health and social services	-	474,388	-	-	-	-	-	-	-	-	1,926,235	-	-	-
Leisure activities	-	184,839	-	-	-	-	-	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	83,757	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	6,000	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,467,215	979,869	1,217,656	-	-	89,757	-	-	8,381	721,311	1,926,235	402,358	-	-
Excess (deficiency) of revenues over expenditures	681	11,289	1,046,103	-	190,012	(4,301)	-	1,871,638	20,800	413,151	(97,275)	134,748	31,069	755,850
Other Financing Sources (Uses)														
Debt issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of property	69,004	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	182,597	-	-	-	1,000,000	-	-	-	-	-	-	-	-
Transfers out	-	-	(1,000,000)	-	-	-	(5,750)	(356,869)	-	(230,000)	-	(12,084)	-	(697,933)
Total other financing sources (uses)	69,004	182,597	(1,000,000)	-	-	1,000,000	(5,750)	(356,869)	-	(230,000)	-	(12,084)	-	(697,933)
Net change in fund balances	69,685	193,886	46,103	-	190,012	995,699	(5,750)	1,514,769	20,800	183,151	(97,275)	122,664	31,069	57,917
Fund Balances (Deficit), Beginning	245,462	2,140,880	184,408	7,825	2,590,121	753,576	(2,500)	5,803,726	69,815	493,299	351,101	241,147	33,668	539
Fund Balances (Deficit), Ending	\$ 315,147	\$ 2,334,766	\$ 230,511	\$ 7,825	\$ 2,780,133	\$ 1,749,275	\$ (8,250)	\$ 7,318,495	\$ 90,615	\$ 676,450	\$ 253,826	\$ 363,811	\$ 64,737	\$ 58,456

City of Oak Creek

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Year Ended December 31, 2022

	Debt Service Fund		Capital Projects Funds							Total Nonmajor Governmental Funds
	TIF No. 6	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	
Revenues										
Taxes	\$ 395,536	\$ -	\$ 1,946,061	\$ 494,448	\$ 1,317,522	\$ 16,528	\$ 192,470	\$ 96,579	\$ 3,821,627	\$ 11,681,293
Intergovernmental	1,061	-	17,764	18,906	-	50,000	-	-	-	1,782,603
Public charges for service	-	-	-	-	-	-	-	-	-	2,956,069
Special assessments / developer contributions	-	17,500	-	-	-	-	-	-	-	169,527
Investment income	3,138	-	12,130	2,763	10,217	1,068	1,313	355	15,193	283,912
Miscellaneous	-	-	-	-	-	75	27,026	-	-	2,772,423
Total revenues	399,735	17,500	1,975,955	516,117	1,327,739	67,671	220,809	96,934	3,836,820	19,645,827
Expenditures										
Current:										
General government	-	-	-	-	-	-	-	-	-	678,539
Public safety	-	-	-	-	-	-	-	-	-	1,270,498
Public works	-	-	-	-	-	-	-	-	-	2,188,526
Health and social services	-	-	-	-	-	-	-	-	-	2,400,623
Leisure activities	-	-	-	-	-	-	-	-	-	184,839
Conservation and development	25,000	8,785	337,523	307,859	470,857	555,473	7,500	79,344	2,610,166	4,486,264
Capital outlay	-	-	-	-	-	827,670	-	-	15,000	848,670
Debt service:										
Principal	-	-	450,000	-	2,495,000	-	120,000	-	975,000	4,040,000
Interest	1,380	-	194,599	1,380	235,326	383,025	22,835	1,380	30,039	869,964
Total expenditures	26,380	8,785	982,122	309,239	3,201,183	1,766,168	150,335	80,724	3,630,205	16,967,923
Excess (deficiency) of revenues over expenditures	373,355	8,715	993,833	206,878	(1,873,444)	(1,698,497)	70,474	16,210	206,615	2,677,904
Other Financing Sources (Uses)										
Debt proceeds	-	-	-	-	2,325,000	-	-	-	-	2,325,000
Sale of property	-	-	-	-	-	-	-	-	-	69,004
Transfers in	-	-	-	-	-	785,000	-	-	-	1,967,597
Transfers out	(340,000)	-	(900,000)	(225,000)	(220,000)	-	-	-	(220,000)	(4,207,636)
Total other financing sources (uses)	(340,000)	-	(900,000)	(225,000)	2,105,000	785,000	-	-	(220,000)	153,965
Net change in fund balances	33,355	8,715	93,833	(18,122)	231,556	(913,497)	70,474	16,210	(13,385)	2,831,869
Fund Balances (Deficit), Beginning	8,035	(6,696)	69,843	30,024	550,445	1,240,234	53,992	(12,475)	552,860	15,399,329
Fund Balances (Deficit), Ending	\$ 41,390	\$ 2,019	\$ 163,676	\$ 11,902	\$ 782,001	\$ 326,737	\$ 124,466	\$ 3,735	\$ 539,475	\$ 18,231,198