

# **City of Oak Creek**

Financial Statements and  
Supplementary Information

December 31, 2023

# City of Oak Creek

---

Table of Contents  
December 31, 2023

	<u>Page</u>
<b>Independent Auditors' Report</b>	i
<b>Required Supplementary Information</b>	
Management's Discussion and Analysis	iv
<b>Basic Financial Statements</b>	
Statement of Net Position	1
Statement of Activities	2
Balance Sheet - Governmental Funds	3
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Statement of Net Position - Proprietary Funds	7
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	9
Statement of Cash Flows - Proprietary Funds	10
Statement of Fiduciary Net Position - Fiduciary Fund	12
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	13
Notes to Financial Statements	14
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule - General Fund	70
Budgetary Comparison Schedule - Emergency Medical Services - Special Revenue Fund	73
Schedule of Changes in the Total OPEB Liability and Related Ratios - City Retiree Benefit Plan	74
Schedule of Proportionate Share of the Net OPEB Liability - Local Retiree Life Insurance Fund	75
Schedule of Employer Contributions - Local Retiree Life Insurance Fund	75
Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System	76
Schedule of Employer Contributions - Wisconsin Retirement System	76
Notes to Required Supplementary Information	77

# City of Oak Creek

---

Table of Contents  
December 31, 2023

	<u>Page</u>
<b>Supplementary Information</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	81

## **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, 2023, 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, 2023 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.

#### ***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 1, 2024 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 1, 2024



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)  
As of and For the Year Ended December 31, 2023**

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, 2023. 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 5.6% in 2023, to \$209.1 million. Of this amount, \$170.6 million represents the City's net investment in capital assets, while \$27.2 million was held for restricted purposes, and a balance of \$11.3 million was unrestricted.

At the end of 2023, the City's governmental activities reported total net position of \$67.8 million, including a deficit balance in unrestricted net position of \$26.9 million and the City's business-type activities reported total net position of \$141.3 million, including a surplus balance in unrestricted net position of \$36.5 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 as a whole is improving or deteriorating. Evaluation of the overall health



of the City should extend to other non-financial factors such as the diversification of the tax base or the condition of City infrastructure, in addition to the financial information provided in this report.

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

### **Fund Financial Statements**

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

The City has three kinds of funds:

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

---

## **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 \$11.1 million from fiscal year 2022 to 2023, a change of 5.6%; this increase was comprised of a government-activities increase of \$5.7



million, and a business-type activities increase of \$5.4 million. The City’s governmental activities and business-type activities have approximately 32% and 68%, respectively, of the combined net position.

The City’s governmental activities total net position increased to \$67.8 million in 2023, an increase of 9.1% from 2022. The City’s net investment in capital assets represents 101.3% of the total. Restricted net position of \$26.0 million represents 38.4% of the total. Unrestricted net position deficit of \$26.9 million represents -39.7% of the total.

The City’s business-type activities total net position increased by 4.0% to \$141.3 million, including unrestricted net position of \$36.5 million, representing 25.9% 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$112,773,938	\$106,774,599	\$56,874,553	\$53,145,566	\$169,648,491	\$159,920,165
Capital assets (net)	<u>156,613,746</u>	<u>154,163,784</u>	<u>115,110,179</u>	<u>112,254,769</u>	<u>271,723,925</u>	<u>266,418,553</u>
Total assets	<u>269,387,684</u>	<u>260,938,383</u>	<u>171,984,732</u>	<u>165,400,335</u>	<u>441,372,416</u>	<u>426,338,718</u>
Deferred charge on refunding	-	-	158,836	178,899	158,836	178,899
Deferred amount related to pensions	31,867,349	24,920,014	2,545,659	2,065,784	34,413,008	26,985,798
Deferred amount related to OPEB	<u>7,365,396</u>	<u>10,137,575</u>	<u>485,850</u>	<u>621,053</u>	<u>7,851,246</u>	<u>10,758,628</u>
Total deferred outflows of resources	<u>39,232,745</u>	<u>35,057,589</u>	<u>3,190,345</u>	<u>2,865,736</u>	<u>42,423,090</u>	<u>37,923,325</u>
Current liabilities	11,974,898	9,953,886	1,352,066	1,752,799	13,326,964	11,706,685
Long-term liabilities	<u>159,788,255</u>	<u>152,392,689</u>	<u>16,435,185</u>	<u>17,257,890</u>	<u>176,223,440</u>	<u>169,650,579</u>
Total liabilities	<u>171,763,153</u>	<u>162,346,575</u>	<u>17,787,251</u>	<u>19,010,689</u>	<u>189,550,404</u>	<u>181,357,264</u>
Unearned revenue	45,648,279	40,491,506	-	-	45,648,279	40,491,506
Deferred amount related to leases	-	-	14,209,939	10,860,619	14,209,939	10,860,619
Deferred amount related to pensions	17,876,807	30,085,601	1,471,395	2,412,330	19,348,202	32,497,931
Deferred amount related to OPEB	<u>5,493,691</u>	<u>910,028</u>	<u>404,612</u>	<u>79,967</u>	<u>5,898,303</u>	<u>989,995</u>
Total deferred inflows of revenues	<u>69,018,777</u>	<u>71,487,135</u>	<u>16,085,946</u>	<u>13,352,916</u>	<u>85,104,723</u>	<u>84,840,051</u>
<b>Net Position:</b>						
Net investment in capital assets	68,719,193	72,162,231	103,618,731	99,643,609	170,645,924	169,981,840
Restricted	26,028,490	32,878,289	1,147,707	2,105,323	27,176,197	34,983,612
Unrestricted (deficit)	<u>(26,909,184)</u>	<u>(42,878,258)</u>	<u>36,535,442</u>	<u>34,153,534</u>	<u>11,318,258</u>	<u>(6,900,724)</u>
Total net position	<u>\$67,838,499</u>	<u>\$62,162,262</u>	<u>\$141,301,880</u>	<u>\$135,902,466</u>	<u>\$209,140,379</u>	<u>\$198,064,728</u>
Net position - beginning of year	62,162,262	46,978,401	135,902,466	131,516,914	198,064,728	178,495,315
Change in net position	<u>\$5,676,237</u>	<u>\$15,183,861</u>	<u>\$5,399,414</u>	<u>\$4,385,552</u>	<u>\$11,075,651</u>	<u>\$19,569,413</u>
Percent change in net position	9.1%	32.3%	4.0%	3.3%	5.6%	11.0%

**Change in combined net position.**

The City had combined total revenues of \$88.1 million and combined total expenses before transfers of \$77.0 million in 2023. After transfers, governmental activities had an increase in net position of \$5.7



million, while business-type activities had an increase in net position of \$5.4 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**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 7,205,743	\$ 7,407,861	\$ 17,806,262	\$ 16,799,128	\$ 25,012,005	\$ 24,206,989
Operating grants & contributions	3,590,465	3,528,055	-	-	3,590,465	3,528,055
Capital grants & contributions	1,484,704	4,399,425	577,243	317,903	2,061,947	4,717,328
General revenues:						
Property taxes	39,654,216	37,860,346	-	-	39,654,216	37,860,346
Other taxes	1,730,388	1,465,673	-	-	1,730,388	1,465,673
Inter-governmental revenues not restricted to specific programs	6,793,829	6,839,141	-	-	6,793,829	6,839,141
Investment income	3,988,730	208,416	1,884,323	581,761	5,873,053	790,177
Gain on disposal of assets	107,399	-	-	-	107,399	-
Miscellaneous	<u>3,273,095</u>	<u>4,828,366</u>	<u>-</u>	<u>-</u>	<u>3,273,095</u>	<u>4,828,366</u>
Total revenues	<u>67,828,569</u>	<u>66,537,283</u>	<u>20,267,828</u>	<u>17,698,792</u>	<u>88,096,397</u>	<u>84,236,075</u>
<b>EXPENSES</b>						
General government	10,220,764	9,218,923	-	-	10,220,764	9,218,923
Public safety	25,202,893	20,519,815	-	-	25,202,893	20,519,815
Health and social services	1,270,890	961,513	-	-	1,270,890	961,513
Public works	3,566,522	11,225,076	-	-	3,566,522	11,225,076
Leisure activities	10,585,377	3,100,998	-	-	10,585,377	3,100,998
Conservation and development	9,297,796	4,897,593	-	-	9,297,796	4,897,593
Interest and fiscal charges	3,661,094	3,066,042	-	-	3,661,094	3,066,042
Water utility	-	-	8,069,343	6,925,957	8,069,343	6,925,957
Sewer utility	-	-	<u>5,146,067</u>	<u>4,759,745</u>	<u>5,146,067</u>	<u>4,759,745</u>
Total expenses	<u>63,805,336</u>	<u>52,989,960</u>	<u>13,215,410</u>	<u>11,685,702</u>	<u>77,020,746</u>	<u>64,675,662</u>
Change in net position before transfers	4,023,233	13,547,323	7,052,418	6,013,090	11,075,651	19,560,413
Transfers	<u>1,653,004</u>	<u>1,627,538</u>	<u>(1,653,004)</u>	<u>(1,627,538)</u>	<u>-</u>	<u>-</u>
Change in net position	5,676,237	15,174,861	5,399,414	4,385,552	11,075,651	19,560,413
Net position, beginning of year	<u>62,162,262</u>	<u>46,978,401</u>	<u>135,902,466</u>	<u>131,516,914</u>	<u>198,064,728</u>	<u>178,495,315</u>
Net position, end of year	<u>\$ 67,838,499</u>	<u>\$ 62,153,262</u>	<u>\$141,301,880</u>	<u>\$135,902,466</u>	<u>\$209,140,379</u>	<u>\$198,055,728</u>

**Governmental Activities**

The City of Oak Creek received a total of \$67.8 million in governmental activities revenues excluding transfers in 2023, up \$1.3 million when compared to 2022 revenues. As Table 2 indicates, the largest revenue source is property taxes, which accounts for \$39.7 million, or 58.5% of all governmental revenues. Property tax revenue increased \$1.8 million in 2023 due to significant new commercial and multifamily development 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 \$7.2 million (10.6%); followed by intergovernmental revenues of \$6.8 million (10.0%); investment income of \$4.0 million (5.9%); operating grants and contributions of \$3.6 million (5.3%); miscellaneous of \$3.3 million (4.8%); other taxes of \$1.7 million (2.6%); capital grants and contributions of \$1.5 million (2.2%); and gains on disposal of assets of \$0.1 million (0.2%).

The City's governmental activities expenses totaled \$63.8 million in 2023, which were \$4.0 million less than revenues excluding transfers. At \$25.2 million, Public Safety, including Police, Fire, EMS, and Inspection services, accounts for the largest share of City expenses at 39.5%. This is followed by Leisure Activities with \$10.6 million (16.6%); General Government with \$10.2 million (16.0%); Conservation and Development with \$9.3 million (14.6%); Public Works with \$3.6 million (5.6%); and Health and Social Services with \$1.3 million (2.0%). Payment of interest and fiscal charges in the amount of \$3.7 million, accounts for 5.7% of total governmental activities expenses.

### **Business-type Activities**

The City of Oak Creek received \$20.3 million in business-type activities revenue during 2023 from its water and sewer utilities. Charges for services are by far the largest revenue sources for these operations, representing \$17.8 million (87.9%) of all revenues. Investment income is the next largest category of revenues at \$1.9 million (9.3%) with capital grants and contributions accounting for the balance of revenues at \$0.6 million (2.8%).

Net position of the City of Oak Creek's water and sewer utilities increased by \$5.4 million in 2023, which represents a 4.0% 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, and TIF No. 13, all of which are major funds. Data from the other twenty-four 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 2023, the combined fund balances for the City’s governmental funds were \$51.8 million. Of this total, \$0.2 million is nonspendable, \$25.3 million is restricted, \$2.4 million is committed and \$13.6 million is assigned. The balance of unassigned governmental fund balances is \$10.4 million. These funds are allocated across the following areas (in millions of dollars):

Unassigned Fund Balances (deficit):	
General Fund	\$10.4
Developer Agreements Fund	<u>(0.013)</u>
<b>Total</b>	<u>\$10.4</u>

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

- The General Fund balance was \$12.2 million as of December 31, 2023, of which \$1.7 million was assigned. Included in the assigned amount are tax equivalent dollars to be paid by the utility in 2024, and \$0.2 million is nonspendable which includes minor amounts for delinquent personal property taxes, non-current receivables, and inventories.
- Unassigned fund balance is now \$10.4 million, an increase of \$0.4 million from 2022. The unassigned fund balance is approximately 31.5% of the General Fund’s 2023 actual revenues and 2022 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 increased by \$0.2 million to \$1.8 million as of December 31, 2023.
- Total revenues were \$6.4 million for 2023, which included \$3.8 million from taxes, \$2.0 million from public charges for services, \$0.4 million of intergovernmental revenue; and \$0.1 million from investment income.
- Total expenditures for the year were \$6.2 million, which is primarily personnel costs. Additionally, the EMS Fund transferred \$0.4 million to the Capital Projects Fund for the purchase of a new ambulance.

**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 was \$11.9 million as of December 31, 2023, an increase of \$5.9 million from 2022. The increase is primarily due to unspent monies for capital projects included in the 2023 Capital Improvement Program (CIP).
- Revenue sources provided \$20.0 million consisting of \$19.5 million in interfund transfers; \$0.3 million in intergovernmental revenues, sale of property, and miscellaneous revenues; and \$0.2 million in investment income.
- Expenditures in this fund totaled \$14.1 million in 2023. The largest expenses included the lakefront bluff stabilization and revetment project; the annual street rehabilitation program; and demolition of the former Peter Cooper factory.

---

## 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 flat, but the City did see a significant increase in investment income as interest rates increased significantly in 2022 into 2023.

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 investment income in future years.

---

## CAPITAL ASSETS AND DEBT ADMINISTRATION

---

### Capital Assets

As of December 31, 2023, the City reported combined capital assets of \$271.7 million. Of this amount, \$156.6 million, or 57.6%, is attributable to governmental activities, with the assets related to the City's land, buildings, equipment, and street network.

In 2023, the net capital assets of governmental activities increased by \$2.5 million. Capital assets of business type activities increased by \$2.9 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and improvements	\$27,827,561	\$31,924,177	\$308,195	\$308,195	\$28,135,756	\$32,232,372
Intangible assets	-	-	40,793	51,225	40,793	51,225
Construction in progress	8,257,207	317,010	4,250,441	1,239,083	12,507,648	1,556,093
Buildings	31,981,792	32,626,145	-	-	31,981,792	32,626,145
Machinery and equipment	6,753,085	6,722,188	-	-	6,753,085	6,722,188
Infrastructure	<u>81,794,101</u>	<u>82,574,264</u>	<u>110,510,750</u>	<u>110,656,266</u>	<u>192,304,851</u>	<u>193,230,530</u>
Capital Assets Net of						
Depreciation	<u>\$156,613,746</u>	<u>\$154,163,784</u>	<u>\$115,110,179</u>	<u>\$112,254,769</u>	<u>\$271,723,925</u>	<u>\$266,418,553</u>

### Long-term Debt

At year-end, the governmental activities had \$109.9 million in general obligation bonds, promissory notes, and note anticipation notes, an increase of \$4.9 million from last year. At the end of 2023, the business-type activities had a total of \$11.3 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.

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

	<u>Governmental Activities</u>		<u>Business Type-Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General Obligation Bonds and Notes	\$109,871,000	\$104,960,000	\$0	\$0	\$109,871,000	\$104,960,000
Revenue Bonds	-	-	11,259,242	12,419,609	11,259,242	12,419,609
Total	<u>\$109,871,000</u>	<u>\$104,960,000</u>	<u>\$11,259,242</u>	<u>\$12,419,609</u>	<u>\$121,130,242</u>	<u>\$117,379,609</u>

State law limits the City to issuing general obligation bonds totaling no more than 5% of the City’s equalized value. Based on the 2023 equalized value, this limit is \$276.6 million. The City currently has a combined total of \$93.2 million of general obligation bonds and notes outstanding, representing 33.71% of its legal debt capacity.

---

**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, 13<sup>th</sup> 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 2023	Estimated 2022	Estimated 2021	Census 2020	Estimated 2019
City of Oak Creek	38,174	37,374	37,608	36,497	36,325
Milwaukee County	937,259	939,487	947,241	939,489	944,099
State of Wisconsin	5,951,400	5,949,155	5,901,473	5,893,718	5,854,594

Total New Construction Building Permits			Total Residential Building Permits	
Year	Number	Value	Number	Value
2023	76	\$78,121,254	39	\$16,070,891

The Oak Creek Common Council adopted the 2024 Budget in November of 2023, which authorized General Fund expenditures of \$33.0 million, a 11.9% increase from 2023. The tax levy for the City of Oak Creek is \$26.2 million, an increase of \$2.3 million from 2023 primarily due to a levy limit exception for debt service equal to about \$2 million which allowed the City to fund the [Public Safety Staffing Plan](#). The mill rate for City services increased by \$0.12 to \$5.80 in 2024, primarily due to the levying of about \$2 million for the [Public Safety Staffing Plan](#).



---

## **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. 6<sup>th</sup> Street, Oak Creek, Wisconsin, 53154.



## **BASIC FINANCIAL STATEMENTS**

**City of Oak Creek**

## Statement of Net Position

December 31, 2023

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Unrestricted cash and investments	\$ 54,643,562	\$ 38,650,652	\$ 93,294,214
Taxes receivable	46,172,018	-	46,172,018
Delinquent personal property taxes receivable	11,415	-	11,415
Accounts receivable, net	1,995,191	3,479,630	5,474,821
Special assessments receivable	1,960,027	-	1,960,027
Loans receivable	6,503	-	6,503
Leases receivable	-	14,209,939	14,209,939
Other assets	-	5,000	5,000
Internal balances	786,858	(786,858)	-
Due from other governmental units	7,205	-	7,205
Prepays and inventories	165,074	138,365	303,439
Restricted assets:			
Cash and investments	7,026,085	1,177,825	8,203,910
Capital assets:			
Land and land rights	23,867,678	308,195	24,175,873
Intangible assets	-	85,719	85,719
Construction in progress	8,257,207	4,250,441	12,507,648
Other capital assets, net of depreciation / amortization	124,488,861	110,465,824	234,954,685
<b>Total assets</b>	<b>269,387,684</b>	<b>171,984,732</b>	<b>441,372,416</b>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	-	158,836	158,836
Deferred amount related to pension	31,867,349	2,545,659	34,413,008
Deferred amount related to OPEB	7,365,396	485,850	7,851,246
<b>Total deferred outflows of resources</b>	<b>39,232,745</b>	<b>3,190,345</b>	<b>42,423,090</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	7,773,375	1,352,066	9,125,441
Deposits	1,251,560	-	1,251,560
Accrued interest	965,216	-	965,216
Unearned revenue	1,984,747	-	1,984,747
Noncurrent liabilities:			
Due within one year	9,645,005	1,190,493	10,835,498
Due in more than one year	150,143,250	15,244,692	165,387,942
<b>Total liabilities</b>	<b>171,763,153</b>	<b>17,787,251</b>	<b>189,550,404</b>
<b>Deferred Inflows of Resources</b>			
Unearned revenue	45,648,279	-	45,648,279
Deferred amount related to leases	-	14,209,939	14,209,939
Deferred amount related to pension	17,876,807	1,471,395	19,348,202
Deferred amount related to OPEB	5,493,691	404,612	5,898,303
<b>Total deferred inflows of resources</b>	<b>69,018,777</b>	<b>16,085,946</b>	<b>85,104,723</b>
<b>Net Position</b>			
Net investment in capital assets	68,719,193	103,618,731	170,645,924
Restricted for debt service	114,955	1,147,707	1,262,662
Restricted for TID activity	7,822,630	-	7,822,630
Restricted for impact fees	6,809,606	-	6,809,606
Restricted for other purposes	11,281,299	-	11,281,299
Unrestricted (deficit)	(26,909,184)	36,535,442	11,318,258
<b>Total net position</b>	<b>\$ 67,838,499</b>	<b>\$ 141,301,880</b>	<b>\$ 209,140,379</b>

See notes to financial statements

**City of Oak Creek**

Statement of Activities

Year Ended December 31, 2023

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
<b>Governmental Activities</b>							
General government	\$ 10,220,764	\$ 1,962,829	\$ 8,819	\$ -	\$ (8,249,116)	\$ -	\$ (8,249,116)
Public safety	25,202,893	3,309,571	735,481	-	(21,157,841)	-	(21,157,841)
Health and social services	1,270,890	23,314	703,380	-	(544,196)	-	(544,196)
Public works	3,566,522	1,807,933	2,140,233	990,298	1,371,942	-	1,371,942
Leisure activities	10,585,377	102,096	-	16,550	(10,466,731)	-	(10,466,731)
Conservation and development	9,297,796	-	2,552	477,856	(8,817,388)	-	(8,817,388)
Interest and fiscal charges	3,661,094	-	-	-	(3,661,094)	-	(3,661,094)
Total governmental activities	63,805,336	7,205,743	3,590,465	1,484,704	(51,524,424)	-	(51,524,424)
<b>Business-Type Activities</b>							
Water utility	8,069,343	12,588,669	-	568,127	-	5,087,453	5,087,453
Sewer utility	5,146,067	5,217,593	-	9,116	-	80,642	80,642
Total business-type activities	13,215,410	17,806,262	-	577,243	-	5,168,095	5,168,095
Total	\$ 77,020,746	\$ 25,012,005	\$ 3,590,465	\$ 2,061,947	(51,524,424)	5,168,095	(46,356,329)
<b>General Revenues</b>							
Taxes:							
					29,187,080	-	29,187,080
					758,167	-	758,167
					9,708,969	-	9,708,969
					1,730,388	-	1,730,388
					Intergovernmental revenues not restricted to specific programs		
					6,793,829	-	6,793,829
					3,988,730	1,884,323	5,873,053
					107,399	-	107,399
					3,273,095	-	3,273,095
					1,653,004	(1,653,004)	-
					<b>Transfers</b>		
					57,200,661	231,319	57,431,980
					Total general revenues and transfers		
					5,676,237	5,399,414	11,075,651
					Change in net position		
					62,162,262	135,902,466	198,064,728
					<b>Net Position, Beginning</b>		
					\$ 67,838,499	\$ 141,301,880	\$ 209,140,379
					<b>Net Position, Ending</b>		

See notes to financial statements

**City of Oak Creek**

Balance Sheet -  
Governmental Funds  
December 31, 2023

	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. 13 Capital Projects Fund		
<b>Assets</b>								
Unrestricted cash and investments	\$ 13,286,712	\$ 1,334,931	\$ 53,838	\$ 1,026,333	\$ 14,721,487	\$ 4,591,445	\$ 17,169,778	\$ 52,184,524
Restricted cash and investments	-	-	-	-	-	-	7,026,085	7,026,085
Receivables:								
Taxes	17,265,634	4,230,813	1,914,920	-	-	306,226	22,454,425	46,172,018
Delinquent personal property taxes	11,415	-	-	-	-	-	-	11,415
Accounts, net	683,632	613,347	-	-	59,870	-	198,386	1,555,235
Due from other government	7,205	-	-	-	-	-	-	7,205
Special assessments	-	-	-	-	-	-	1,960,027	1,960,027
Loans	-	-	-	-	-	-	6,503	6,503
Due from other funds	1,729,211	-	-	-	-	-	-	1,729,211
Inventories	165,074	-	-	-	-	-	-	165,074
<b>Total assets</b>	<b>\$ 33,148,883</b>	<b>\$ 6,179,091</b>	<b>\$ 1,968,758</b>	<b>\$ 1,026,333</b>	<b>\$ 14,781,357</b>	<b>\$ 4,897,671</b>	<b>\$ 48,815,204</b>	<b>\$ 110,817,297</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 431,656	\$ 22,950	\$ -	\$ -	\$ 2,694,990	\$ 53,329	\$ 1,155,804	\$ 4,358,729
Accrued liabilities	2,709,300	118,443	-	-	-	-	45,261	2,873,004
Deposits	498,725	-	-	-	-	414,131	338,704	1,251,560
Due to other funds	449,256	-	-	-	167,131	-	493,184	1,109,571
Unearned revenues	-	-	-	-	-	-	1,960,177	1,960,177
<b>Total liabilities</b>	<b>4,088,937</b>	<b>141,393</b>	<b>-</b>	<b>-</b>	<b>2,862,121</b>	<b>467,460</b>	<b>3,993,130</b>	<b>11,553,041</b>
<b>Deferred Inflows of Resources</b>								
Unearned revenues	16,831,968	4,230,813	1,914,920	-	-	306,226	22,364,352	45,648,279
Unavailable revenues	-	7,085	-	-	-	-	1,768,696	1,775,781
<b>Total deferred inflows of resources</b>	<b>16,831,968</b>	<b>4,237,898</b>	<b>1,914,920</b>	<b>-</b>	<b>-</b>	<b>306,226</b>	<b>24,133,048</b>	<b>47,424,060</b>
<b>Fund Balances</b>								
Nonspendable	198,030	-	-	-	-	-	-	198,030
Restricted	-	-	53,838	1,026,333	-	4,123,985	20,093,846	25,298,002
Committed	-	1,799,800	-	-	-	-	607,921	2,407,721
Assigned	1,653,004	-	-	-	11,919,236	-	-	13,572,240
Unassigned (deficit)	10,376,944	-	-	-	-	-	(12,741)	10,364,203
<b>Total fund balances</b>	<b>12,227,978</b>	<b>1,799,800</b>	<b>53,838</b>	<b>1,026,333</b>	<b>11,919,236</b>	<b>4,123,985</b>	<b>20,689,026</b>	<b>51,840,196</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 33,148,883</b>	<b>\$ 6,179,091</b>	<b>\$ 1,968,758</b>	<b>\$ 1,026,333</b>	<b>\$ 14,781,357</b>	<b>\$ 4,897,671</b>	<b>\$ 48,815,204</b>	<b>\$ 110,817,297</b>

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, 2023

**Fund Balance, Total Governmental Funds** \$ 51,840,196

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	23,867,678
Construction in progress	8,257,207
Other capital assets, net of depreciation / amortization	124,488,861

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	1,689,201
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.

2,500,000

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

(8,571,962)

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

31,867,349

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

(17,876,807)

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.

7,365,396

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.

(5,493,691)

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	(109,871,000)
Unamortized debt premium	(2,963,924)
Other postemployment benefits	(36,989,464)
Vested compensated absences	(1,391,905)
Accrued interest	(965,216)

**Net Position of Governmental Activities** \$ 67,838,499

**City of Oak Creek**

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Governmental Funds  
 Year Ended December 31, 2023

	General Fund	Special Revenue Fund	Debt Service Funds		Capital Projects Funds		Nonmajor Governmental Funds	Total
		Emergency Medical Services Fund	Debt Service Fund	Debt Amortization Fund	Capital Improvement Fund	TIF No. 13 Capital Projects Fund		
<b>Revenues</b>								
Taxes	\$ 17,261,069	\$ 3,813,957	\$ 435,789	\$ -	\$ -	\$ 97,482	\$ 19,776,307	\$ 41,384,604
Intergovernmental	5,574,257	422,004	-	3,203,920	46,025	-	2,241,149	11,487,355
Regulation and compliance	1,905,912	-	-	-	-	-	-	1,905,912
Public charges for services	327,321	1,997,155	-	-	-	-	1,636,782	3,961,258
Special assessments/developer contributions	-	-	-	-	-	-	43,960	43,960
Investment income (loss)	1,354,211	137,932	1,539	16,674	230,963	475,726	1,657,225	3,874,270
Miscellaneous	105,505	-	-	-	145,697	810	3,051,859	3,303,871
Interdepartmental charges for services	636,791	-	-	-	-	-	-	636,791
Total revenues	<u>27,165,066</u>	<u>6,371,048</u>	<u>437,328</u>	<u>3,220,594</u>	<u>422,685</u>	<u>574,018</u>	<u>28,407,282</u>	<u>66,598,021</u>
<b>Expenditures</b>								
Current:								
General government	6,806,939	-	-	-	-	-	508,064	7,315,003
Public safety	12,388,081	5,838,881	-	-	-	-	1,427,795	19,654,757
Health and social services	599,390	-	-	-	-	-	2,678,193	3,277,583
Public works	4,465,329	-	-	-	-	-	2,163,945	6,629,274
Leisure activities	2,093,830	-	-	-	-	-	62,845	2,156,675
Conservation and development	-	-	-	-	-	619,791	3,733,998	4,353,789
Capital outlay	-	-	-	-	14,112,901	-	204,894	14,317,795
Debt service:								
Principal retirement	-	-	1,870,000	-	-	16,220,000	10,944,000	29,034,000
Interest and fiscal charges	-	-	797,788	-	-	926,854	2,121,869	3,846,511
Total expenditures	<u>26,353,569</u>	<u>5,838,881</u>	<u>2,667,788</u>	<u>-</u>	<u>14,112,901</u>	<u>17,766,645</u>	<u>23,845,603</u>	<u>90,585,387</u>
Excess (deficiency) of revenues over expenditures	<u>811,497</u>	<u>532,167</u>	<u>(2,230,460)</u>	<u>3,220,594</u>	<u>(13,690,216)</u>	<u>(17,192,627)</u>	<u>4,561,679</u>	<u>(23,987,366)</u>
<b>Other Financing Sources (Uses)</b>								
Long-term debt issued	-	-	-	-	-	29,345,000	4,600,000	33,945,000
Premium on debt	-	-	-	-	-	1,049,875	87,472	1,137,347
Sale of property	34,273	-	-	-	73,125	-	65,156	172,554
Transfers in	1,667,845	-	2,280,000	-	19,477,215	925,000	72,469	24,422,529
Transfers out	(1,995,682)	(380,000)	-	(2,200,000)	-	(10,330,000)	(9,011,173)	(23,916,855)
Total other financing sources (uses)	<u>(293,564)</u>	<u>(380,000)</u>	<u>2,280,000</u>	<u>(2,200,000)</u>	<u>19,550,340</u>	<u>20,989,875</u>	<u>(4,186,076)</u>	<u>35,760,575</u>
Net change in fund balance	517,933	152,167	49,540	1,020,594	5,860,124	3,797,248	375,603	11,773,209
<b>Fund Balances, Beginning</b>	<u>11,710,045</u>	<u>1,647,633</u>	<u>4,298</u>	<u>5,739</u>	<u>6,059,112</u>	<u>326,737</u>	<u>20,313,423</u>	<u>40,066,987</u>
<b>Fund Balances, Ending</b>	<u>\$ 12,227,978</u>	<u>\$ 1,799,800</u>	<u>\$ 53,838</u>	<u>\$ 1,026,333</u>	<u>\$ 11,919,236</u>	<u>\$ 4,123,985</u>	<u>\$ 20,689,026</u>	<u>\$ 51,840,196</u>

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, 2023

**Net Change in Fund Balances, Total Governmental Funds** \$ 11,773,209

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	14,317,795
Some amounts reported as capital outlay were not capitalized	(3,366,936)
Depreciation is reported in the government-wide statements	(3,971,013)
Net book value of disposed assets	(4,529,884)

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	(259,742)
---------------------	-----------

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	29,034,000
Debt proceeds	(33,945,000)

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

Premium on debt issued	(1,137,347)
Amortization of debt premium on debt issued	428,976

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

350,498

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	6,915,086
Deferred outflows related to OPEBs	(2,772,179)
Deferred inflows related to OPEBs	(4,583,663)
Vest compensated absences	(119,319)
Accrued interest on debt	(243,559)
Net pension liability	(21,370,814)
Deferred outflows related to pensions	6,947,335
Deferred inflows related to pensions	12,208,794

**Change in Net Position of Governmental Activities** \$ 5,676,237

See notes to financial statements

## City of Oak Creek

Statement of Net Position -  
Proprietary Funds  
December 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Total	Activities - Internal Service Fund
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 29,496,806	\$ 9,153,846	\$ 38,650,652	\$ 2,459,038
Customer accounts receivable	2,264,846	1,131,527	3,396,373	-
Other accounts receivable	19,010	61,126	80,136	439,956
Due from other funds	660,542	129,801	790,343	167,218
Accrued interest	-	3,121	3,121	-
Lease receivable	432,368	-	432,368	-
Due from other funds, advance	-	220,414	220,414	-
Prepaid and inventory	138,365	-	138,365	-
Restricted assets:				
Revenue bond redemption account	561,280	-	561,280	-
<b>Total current assets</b>	<b>33,573,217</b>	<b>10,699,835</b>	<b>44,273,052</b>	<b>3,066,212</b>
Noncurrent assets:				
Restricted assets:				
Revenue bond reserve account	565,545	-	565,545	-
Revenue bond depreciation account	51,000	-	51,000	-
<b>Total restricted assets</b>	<b>616,545</b>	<b>-</b>	<b>616,545</b>	<b>-</b>
Capital assets:				
Land and land rights	295,050	13,145	308,195	-
Intangible assets	69,544	16,175	85,719	-
Construction in progress	3,586,126	664,315	4,250,441	-
Utility plant in service	128,692,663	49,427,701	178,120,364	-
Accumulated amortization	(44,926)	-	(44,926)	-
Accumulated depreciation	(53,142,498)	(14,467,116)	(67,609,614)	-
<b>Total capital assets</b>	<b>79,455,959</b>	<b>35,654,220</b>	<b>115,110,179</b>	<b>-</b>
Other assets:				
Property held for future use	5,000	-	5,000	-
Lease receivable	13,777,571	-	13,777,571	-
Due from other funds, special assessments	153,066	125,882	278,948	-
Due from other funds, advance	-	1,128,485	1,128,485	-
<b>Total other assets</b>	<b>13,935,637</b>	<b>1,254,367</b>	<b>15,190,004</b>	<b>-</b>
<b>Total assets</b>	<b>127,581,358</b>	<b>47,608,422</b>	<b>175,189,780</b>	<b>3,066,212</b>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	158,836	-	158,836	-
Deferred outflows related to OPEB	389,293	96,557	485,850	-
Deferred outflows related to pension	2,036,527	509,132	2,545,659	-
<b>Total deferred outflows of resources</b>	<b>2,584,656</b>	<b>605,689</b>	<b>3,190,345</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>130,166,014</b>	<b>48,214,111</b>	<b>178,380,125</b>	<b>3,066,212</b>

See notes to financial statements



**City of Oak Creek**

Statement of Net Position -  
Proprietary Funds  
December 31, 2023

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total</b>	<b>Activities - Internal Service Fund</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 546,080	\$ 660,331	\$ 1,206,411	\$ 541,642
Accrued payroll	50,095	1,168	51,263	-
Accrued interest payable	3,121	-	3,121	-
Due to other funds	1,856,149	-	1,856,149	-
Due to other funds, advance	220,414	-	220,414	-
Unearned revenue	-	-	-	24,570
Compensated absences	61,153	-	61,153	-
Liabilities payable from restricted assets:				
Accrued interest	30,118	-	30,118	-
Current portion of revenue bonds	1,190,493	-	1,190,493	-
<b>Total current liabilities</b>	<b>3,957,623</b>	<b>661,499</b>	<b>4,619,122</b>	<b>566,212</b>
Noncurrent liabilities:				
Other postemployment benefits obligation	1,793,850	448,545	2,242,395	-
Net pension liability	510,360	127,588	637,948	-
Due to other funds, advance	1,128,485	-	1,128,485	-
Pollution remediation obligation	2,295,600	-	2,295,600	-
Revenue bonds, net of unamortized premiums	10,068,749	-	10,068,749	-
<b>Total noncurrent liabilities</b>	<b>15,797,044</b>	<b>576,133</b>	<b>16,373,177</b>	<b>-</b>
<b>Total liabilities</b>	<b>19,754,667</b>	<b>1,237,632</b>	<b>20,992,299</b>	<b>566,212</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to OPEB	323,655	80,957	404,612	-
Deferred inflows related to pension	1,177,118	294,277	1,471,395	-
Deferred inflows related to leases	14,209,939	-	14,209,939	-
<b>Total deferred inflows</b>	<b>15,710,712</b>	<b>375,234</b>	<b>16,085,946</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>35,465,379</b>	<b>1,612,866</b>	<b>37,078,245</b>	<b>566,212</b>
<b>Net Position</b>				
Net investment in capital assets	68,015,160	35,603,571	103,618,731	-
Restricted:				
Debt service	1,147,707	-	1,147,707	-
Unrestricted	25,537,768	10,997,674	36,535,442	2,500,000
<b>Total net position</b>	<b>\$ 94,700,635</b>	<b>\$ 46,601,245</b>	<b>\$ 141,301,880</b>	<b>\$ 2,500,000</b>

See notes to financial statements

**City of Oak Creek**

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

Proprietary Funds

Year Ended December 31, 2023

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total</b>	<b>Activities - Internal Service Fund</b>
<b>Operating Revenues</b>				
Charges for services and sales	\$ 12,045,727	\$ 5,112,997	\$ 17,158,724	\$ -
Other operating revenues	542,942	104,596	647,538	7,998,830
Total operating revenues	<u>12,588,669</u>	<u>5,217,593</u>	<u>17,806,262</u>	<u>7,998,830</u>
<b>Operating Expenses</b>				
Operation and maintenance	4,901,775	4,523,351	9,425,126	8,910,118
Depreciation/amortization	2,717,257	580,029	3,297,286	-
Taxes	127,733	42,687	170,420	-
Total operating expenses	<u>7,746,765</u>	<u>5,146,067</u>	<u>12,892,832</u>	<u>8,910,118</u>
Operating income (loss)	<u>4,841,904</u>	<u>71,526</u>	<u>4,913,430</u>	<u>(911,288)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	1,545,616	338,707	1,884,323	114,456
Income (loss) from merchandising and jobbing	(24,024)	-	(24,024)	-
Interest expense and debt issuance costs	(278,491)	-	(278,491)	-
Amortization of bond premiums	(20,063)	-	(20,063)	-
Total nonoperating revenues (expenses)	<u>1,223,038</u>	<u>338,707</u>	<u>1,561,745</u>	<u>114,456</u>
Income (loss) before contributions and transfers	6,064,942	410,233	6,475,175	(796,832)
<b>Capital Contributions</b>	568,127	9,116	577,243	-
<b>Transfers In</b>	-	-	-	1,147,330
<b>Transfers Out</b>	(1,653,004)	-	(1,653,004)	-
Change in net position	4,980,065	419,349	5,399,414	350,498
<b>Net Position, Beginning</b>	<u>89,720,570</u>	<u>46,181,896</u>	<u>135,902,466</u>	<u>2,149,502</u>
<b>Net Position, Ending</b>	<u>\$ 94,700,635</u>	<u>\$ 46,601,245</u>	<u>\$ 141,301,880</u>	<u>\$ 2,500,000</u>

See notes to financial statements

**City of Oak Creek**

Statement of Cash Flows -

Proprietary Funds

Year Ended December 31, 2023

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total</b>	<b>Activities - Internal Service Fund</b>
<b>Cash Flows From Operating Activities</b>				
Received from customers	\$ 12,394,893	\$ 5,159,217	\$ 17,554,110	\$ 7,904,343
Received from rents of water property	411,212	-	411,212	-
Received from miscellaneous sources	66,894	-	66,894	-
Paid for nonoperating activities	(24,024)	-	(24,024)	-
Paid to Milwaukee Metro Sewerage District for sewer user charges	-	(3,551,215)	(3,551,215)	-
Paid to Primary Government for tax equivalent	(1,755,271)	-	(1,755,271)	-
Paid to suppliers for goods and services	(3,458,669)	(649,382)	(4,108,051)	(8,770,550)
Paid to employees for services	(1,844,354)	(394,074)	(2,238,428)	-
Net cash flows from operating activities	5,790,681	564,546	6,355,227	(866,207)
<b>Cash Flows From Noncapital Financing Activities</b>				
Principal received from Water Utility, advance	-	219,667	219,667	-
<b>Cash Flows From Investing Activities</b>				
Interest received from Water Utility, advance	-	62,272	62,272	-
Investment income	1,546,461	275,873	1,822,334	114,456
Net cash flows from investing activities	1,546,461	338,145	1,884,606	114,456
<b>Cash Flows From Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets	(4,950,960)	(471,391)	(5,422,351)	-
Special assessment proceeds	91,705	22,332	114,037	-
Principal payment to Sewer Utility, advance	(219,667)	-	(219,667)	-
Debt retired	(1,160,367)	-	(1,160,367)	-
Interest paid to Sewer Utility, advance	(62,272)	-	(62,272)	-
Interest paid	(218,431)	-	(218,431)	-
Net cash flows from capital and related financing activities	(6,519,992)	(449,059)	(6,969,051)	-
Net change in cash and cash equivalents	817,150	673,299	1,490,449	(751,751)
<b>Cash and Cash Equivalents, Beginning</b>	29,857,481	8,480,547	38,338,028	2,063,459
<b>Cash and Cash Equivalents, Ending</b>	\$ 30,674,631	\$ 9,153,846	\$ 39,828,477	\$ 1,311,708

See notes to financial statements

**City of Oak Creek**

Statement of Cash Flows -

Proprietary Funds

Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities</b>				
Operating income (loss)	\$ 4,841,904	\$ 71,526	\$ 4,913,430	\$ (911,288)
Nonoperating revenues (expenses)	(24,024)	-	(24,024)	-
Transfer out to general fund	(1,653,004)	-	(1,653,004)	-
Adjustments to reconcile operating income to net cash provided from operating activities				
Noncash items included in income:				
Amortization	10,432	-	10,432	-
Depreciation	2,706,825	580,029	3,286,854	-
Depreciation charged to other accounts	101,570	(50,209)	51,361	-
Changes in assets and liabilities and deferred outflows and inflows:				
Customer accounts receivable	8,630	(56,670)	(48,040)	(104,169)
Other accounts receivable	(17,594)	-	(17,594)	-
Due from other funds	(16,609)	(16,448)	(33,057)	9,682
Inventories	(26,758)	-	(26,758)	-
Pension	176,073	44,015	220,088	-
Accounts payable and accrued liabilities	(466,655)	(39,392)	(506,047)	139,568
Accrued expenses	14,345	(507)	13,838	-
Due to other funds	25,466	-	25,466	-
Net other post employment benefits obligation	110,080	32,202	142,282	-
Net cash flows from operating activities	<u>\$ 5,790,681</u>	<u>\$ 564,546</u>	<u>\$ 6,355,227</u>	<u>\$ (866,207)</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds</b>				
Cash and investments	\$ 29,496,806	\$ 9,153,846	\$ 38,650,652	\$ 2,459,038
Restricted cash and investments, current	561,280	-	561,280	-
Restricted cash and investments, noncurrent	616,545	-	616,545	-
Cash and Cash Equivalents, Ending	<u>\$ 30,674,631</u>	<u>\$ 9,153,846</u>	<u>\$ 39,828,477</u>	<u>\$ 2,459,038</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
Cost of capital assets installed and/or financed by developers	<u>\$ 537,066</u>	<u>\$ -</u>	<u>\$ 537,066</u>	<u>\$ -</u>
Cost of capital assets installed and/or financed by assessments of benefits to property owners	<u>\$ 87,864</u>	<u>\$ 130,711</u>	<u>\$ 218,575</u>	<u>\$ -</u>

See notes to financial statements

# City of Oak Creek

Statement of Fiduciary Net Position -  
Fiduciary Fund  
December 31, 2023

---

	<b>Custodial Fund</b>
	<b>Tax Collection Fund</b>
<b>Assets</b>	
Cash and investments	\$ 47,263,354
Property taxes receivable	<u>14,328,055</u>
Total assets	<u>61,591,409</u>
<b>Liabilities</b>	
Due to other taxing units	<u>61,591,409</u>
<b>Net Position</b>	<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, 2023

	<u>Custodial Fund</u> <u>Tax Collection Fund</u>
<b>Additions</b>	
Tax collections	\$ 62,965,036
<b>Deductions</b>	
Payments to overlying districts	<u>62,965,036</u>
Change in fiduciary net position	-
<b>Net Position, Beginning</b>	<u>-</u>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>

See notes to financial statements

# City of Oak Creek

## Index to Notes to Financial Statements

December 31, 2023

	<u>Page</u>
<b>1. Summary of Significant Accounting Policies</b>	<b>15</b>
Reporting Entity	15
Government-Wide and Fund Financial Statements	15
Measurement Focus, Basis of Accounting and Financial Statement Presentation	18
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	19
Deposits and Investments	19
Receivables	21
Prepays and Inventories	22
Restricted Assets	22
Capital Assets	23
Leases	23
Deferred Outflows of Resources	24
Compensated Absences	24
Long-Term Obligations/Conduit Debt	24
Pollution Remediation Obligations	25
Deferred Inflows of Resources	25
Equity Classifications	25
Pension	27
Postemployment Benefits Other Than Pensions (OPEB)	27
<b>2. Stewardship, Compliance and Accountability</b>	<b>28</b>
Budgetary Information	28
Excess Expenditures Over Appropriation	28
Deficit Balances	29
Limitation on the City's Tax Levy	29
<b>3. Detailed Notes on All Funds</b>	<b>29</b>
Deposits and Investments	29
Receivables	33
Restricted Assets	34
Capital Assets	35
Interfund Receivables/Payables, Advances and Transfers	38
Long-Term Obligations	41
Lease Disclosures	45
Net Position/Fund Balances	45
<b>4. Other Information</b>	<b>48</b>
Employees' Retirement System	48
Risk Management	53
Commitments and Contingencies	54
Other Postemployment Benefits	60
Power Generating Facility Mitigation Revenue	68
Effect of New Accounting Standards on Current-Period Financial Statements	69

# City of Oak Creek

---

Notes to Financial Statements  
December 31, 2023

## 1. Summary of Significant Accounting Policies

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

### Reporting Entity

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

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

### Government-Wide and Fund Financial Statements

#### Government-Wide Financial Statements

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

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

#### Fund Financial Statements

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



# City of Oak Creek

## Notes to Financial Statements

December 31, 2023

Funds are organized as major funds or nonmajor 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.
- 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.

#### **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. 13 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.

# City of Oak Creek

Notes to Financial Statements  
December 31, 2023

---

## 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 nonmajor 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

## 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. 8 Capital Projects Fund  
TIF No. 10 Capital Projects Fund  
TIF No. 11 Capital Projects Fund  
TIF No. 12 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.

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.

# City of Oak Creek

Notes to Financial Statements  
December 31, 2023

---

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.

## City of Oak Creek

---

Notes to Financial Statements

December 31, 2023

- 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.

# City of Oak Creek

Notes to Financial Statements

December 31, 2023

## Interest Rate Risk

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

Purchase obligations of the U.S. Treasury and deposits into the Local Government Investment Pool and the investment accounts 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, 2023, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3 for further information.

## Receivables

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

Property tax calendar - 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due (50%)	January 31, 2024
Second installment due (25%)	March 31, 2024
Third installment due (25%)	May 31, 2024
Personal property taxes in full	January 31, 2024
Tax sale, 2023 delinquent real estate taxes	October 2026

## City of Oak Creek

---

Notes to Financial Statements

December 31, 2023

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

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

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

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

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

### **Prepays and Inventories**

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

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

### **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.

# City of Oak Creek

Notes to Financial Statements

December 31, 2023

## 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 asset 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, 2023 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, 2023

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 12/31/23
Marquette13 LLC and Tower13 LLC	12/29/17	\$ 6,300,000	12/01/37	\$ 5,043,716

### Pollution Remediation Obligations

As of December 31, 2023, 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, 2023, 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 assets 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, 2023

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	\$ 68,719,193	\$ 103,618,731	\$ (1,692,000)	\$ 170,645,924
Unrestricted (deficit)	(26,909,184)	36,535,442	1,692,000	11,318,258

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, 2023

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 \$27,199,339 and the state shared revenue in the previous year was \$5,697,790 for a total of \$32,897,129. At year end, amounts available for working capital and included in unassigned general fund balance totaled \$10,376,944 or 31.5%.

### Pension

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; and
- Pension Expense (Revenue)

Information about the fiduciary net position of the WRS and additions to/deductions from the WRS' fiduciary net position have been determined on the same basis as they are reported by the 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 following:

- Net OPEB Liability;
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits; and
- OPEB Expense (Revenue).

Information about the fiduciary 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, 2023

## 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	\$ 2,666,838	\$ 2,667,788	\$ 950
Special Revenue Funds:			
Emergency Medical Services	6,125,033	6,218,881	93,848
Donation & Activity	649,503	866,558	217,055
Future Improvement	-	5,750	5,750
Impact Fee Escrow	-	1,378,641	1,378,641
Storm Water	1,007,320	2,151,204	1,143,884
Asset Forfeiture	15,000	83,852	68,852
Capital Projects Funds:			
TIF #7	2,676,096	5,385,750	2,709,654
TIF #11	5,949,156	5,993,384	44,228
TIF #12	2,095,014	2,795,693	700,679
TIF #13	11,126,533	28,096,645	16,970,112

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, 2023

## Deficit Balances

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

As of December 31, 2023, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Capital Projects Fund:		
Developer Agreements Fund	12,741	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, 2023

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	\$ 34,235,391	\$ 33,386,477	Custodial credit
Certificates of deposit (negotiable)	3,932,814	3,896,824	Credit, custodial credit, interest rate, concentration of credit
U.S. treasuries	2,708,200	2,700,492	Custodial credit, interest rate and highly sensitive to interest rate changes
U.S. agencies, implicitly guaranteed	7,589,797	7,548,253	Credit, custodial credit, interest rate, highly sensitive to interest rate changes, concentration of credit
Municipal bonds	842,891	838,613	Custodial credit, credit, interest rate, concentration of credit, highly sensitive to interest rate changes
Corporate bonds	413,084	410,050	Credit, custodial credit, interest rate, concentration of credit, highly sensitive to interest rate changes
Local Government Investment Pool	98,553,279	98,553,279	Credit
U.S. agencies, explicitly guaranteed	480,966	479,723	Custodial credit, interest rate, highly sensitive to interest rate changes
Petty cash	5,056	-	N/A
	<u>\$ 148,761,478</u>	<u>\$ 147,813,711</u>	
Per statement of net position:			
Unrestricted cash and investments	\$ 93,294,214		
Restricted cash and investments	8,203,910		
Per statement of fiduciary net position:			
Custodial funds	<u>47,263,354</u>		
	<u>\$ 148,761,478</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, 2023

## 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, 2023 the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poor's</u>	<u>Moody's</u>
Certificates of deposit (negotiable)	Not rated	Not rated
U.S. agencies, implicitly guaranteed	AA+	Aaa
Municipal bonds	AA-AA-	Aaa-A1
Corporate bonds	AA+	Aaa-Aa2

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, 2023, 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, 2023

As of December 31, 2023, 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)	\$ 3,896,824	\$ 2,465,369	\$ 1,431,455	\$ -
U.S. treasuries	2,700,492	2,158,131	542,361	-
U.S. agencies, implicitly guaranteed	7,548,253	1,279,439	3,264,080	3,004,734
U.S. agencies, explicitly guaranteed	479,723	-	10,374	469,349
Corporate bonds	410,050	267,173	142,877	-
Municipal bonds	838,613	24,798	813,815	-
<b>Total</b>	<b>\$ 15,873,955</b>	<b>\$ 6,194,910</b>	<b>\$ 6,204,962</b>	<b>\$ 3,474,083</b>

### 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, 2023			
	Level 1	Level 2	Level 3	Total
Certificates of deposit (negotiable)	\$ -	\$ 3,896,824	\$ -	\$ 3,896,824
U.S. treasuries	-	2,700,492	-	2,700,492
U.S. agencies, implicitly guaranteed	-	7,548,253	-	7,548,253
U.S. agencies, explicitly guaranteed	-	479,723	-	479,723
Corporate bonds	-	410,050	-	410,050
Municipal bonds	-	838,613	-	838,613
<b>Total</b>	<b>\$ -</b>	<b>\$ 15,873,955</b>	<b>\$ -</b>	<b>\$ 15,873,955</b>

### Investments Highly Sensitive to Interest Rate Changes Risk

At December 31, 2023, the City held \$2,700,492, \$7,548,253, \$479,723, \$410,050 and \$838,613 in U.S. treasuries, U.S. agencies implicitly guaranteed, U.S. agencies explicitly guaranteed, 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, 2023

## Receivables

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

	<b>Total Net Receivables</b>	<b>Amounts Not Expected to be Collected Within One Year</b>
General Fund	\$ 17,967,886	\$ 18,620
Special Revenue, Emergency Medical Services Fund	4,844,160	-
Debt Service Fund	1,914,920	-
Capital Project, Capital Improvement Fund	59,870	-
Capital Projects Fund, TIF No. 13	306,226	-
Nonmajor Governmental Funds	24,619,341	1,966,530
<b>Total</b>	<b>\$ 49,712,403</b>	<b>\$ 1,985,150</b>

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

Governmental funds report unavailable or unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	<b>Unearned</b>	<b>Unavailable</b>
Property taxes and special charges receivable for subsequent year	\$ 45,648,279	\$ -
ARPA grant funds	1,960,177	-
Accounts receivable not collected	-	80,077
Loans receivable not yet due	-	6,503
Special assessments not yet due	-	1,689,201
<b>Total unavailable/unearned revenue for governmental funds</b>	<b>\$ 47,608,456</b>	<b>\$ 1,775,781</b>
Unearned revenue included in liabilities	\$ 1,960,177	
Unearned revenue included in deferred inflows	45,648,279	
<b>Total unearned revenue for governmental funds</b>	<b>\$ 47,608,456</b>	

## City of Oak Creek

Notes to Financial Statements  
December 31, 2023

### 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.

Following is a list of restricted assets at December 31, 2023:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Redemption account	\$ -	\$ 561,280	\$ 561,280
Reserve account	-	565,545	565,545
Depreciation account	-	51,000	51,000
Impact fee account	6,809,606	-	6,809,606
Asset forfeiture account	216,479	-	216,479
	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 7,026,085</u>	<u>\$ 1,177,825</u>	<u>\$ 8,203,910</u>

# City of Oak Creek

## Notes to Financial Statements

December 31, 2023

### Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 27,779,402	\$ 200	\$ (3,911,924)	\$ 23,867,678
Construction in progress	317,010	8,257,207	(317,010)	8,257,207
	<u>28,096,412</u>	<u>8,257,407</u>	<u>(4,228,934)</u>	<u>32,124,885</u>
Total capital assets not being depreciated				
Capital assets being depreciated/amortized:				
Land improvements	6,355,365	20,353	-	6,375,718
Buildings	47,037,681	609,949	-	47,647,630
Machinery and equipment	23,421,826	1,156,791	(573,721)	24,004,896
Bridges	286,370	-	-	286,370
Roads	79,476,696	886,206	(807,034)	79,555,868
Sidewalks	4,920,030	99,273	(103,723)	4,915,580
Street lighting	7,628,155	237,890	(78,465)	7,787,580
Storm sewers	26,630,318	-	-	26,630,318
	<u>195,756,441</u>	<u>3,010,462</u>	<u>(1,562,943)</u>	<u>197,203,960</u>
Total capital assets being depreciated/amortized				
Less accumulated depreciation/amortization for:				
Land improvements	(2,210,590)	(205,245)	-	(2,415,835)
Buildings	(14,411,536)	(1,254,302)	-	(15,665,838)
Machinery and equipment	(16,699,638)	(1,018,398)	466,225	(17,251,811)
Bridges	(34,368)	-	-	(34,368)
Roads	(14,377,432)	(680,059)	331,809	(14,725,682)
Sidewalks	(2,752,889)	(78,864)	103,723	(2,728,030)
Street lighting	(5,023,357)	(245,449)	43,226	(5,225,580)
Storm sewers	(14,179,259)	(488,696)	-	(14,667,955)
	<u>(69,689,069)</u>	<u>(3,971,013)</u>	<u>944,983</u>	<u>(72,715,099)</u>
Total accumulated depreciation/amortization				
Net capital assets being depreciated/amortized	<u>126,067,372</u>	<u>(960,551)</u>	<u>(617,960)</u>	<u>124,488,861</u>
Total governmental activities assets, net of accumulated depreciation/amortization	<u>\$ 154,163,784</u>	<u>\$ 7,296,856</u>	<u>\$ (4,846,894)</u>	<u>\$ 156,613,746</u>

# City of Oak Creek

Notes to Financial Statements

December 31, 2023

Depreciation / amortization expense was charged to functions as follows:

## Governmental Activities

General government	\$ 745,190
Public safety	821,651
Health and social services	-
Public works	2,021,811
Leisure activities	<u>382,361</u>
Total governmental activities depreciation/amortization expenses	<u>\$ 3,971,013</u>

## Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Water</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 295,050	\$ -	\$ -	\$ 295,050
Construction in progress	1,030,652	6,025,723	3,470,249	3,586,126
Total capital assets being depreciated	<u>1,325,702</u>	<u>6,025,723</u>	<u>3,470,249</u>	<u>3,881,176</u>
Capital assets being depreciated/amortized:				
Source of supply	7,056,575	-	-	7,056,575
Pumping	9,102,797	490,890	-	9,593,687
Treatment	25,886,975	278,514	-	26,165,489
Transmission and distribution	78,356,669	2,119,009	106,161	80,369,517
Intangible	69,544	-	-	69,544
General	5,321,645	274,627	88,877	5,507,395
Total capital assets being depreciated/ amortized	<u>125,794,205</u>	<u>3,163,040</u>	<u>195,038</u>	<u>128,762,207</u>
Total capital assets	<u>127,119,907</u>	<u>9,188,763</u>	<u>3,665,287</u>	<u>132,643,383</u>
Less accumulated depreciation for:				
Source of supply	(2,984,095)	(121,346)	-	(3,105,441)
Pumping	(5,949,529)	(270,920)	-	(6,220,449)
Treatment	(15,038,604)	(851,068)	-	(15,889,672)
Transmission and distribution	(22,994,884)	(1,335,473)	(106,161)	(24,224,196)
Intangible	(34,494)	(10,432)	-	(44,926)
General	(3,562,028)	(229,589)	(88,877)	(3,702,740)
Total accumulated depreciation	<u>(50,563,634)</u>	<u>(2,818,828)</u>	<u>(195,038)</u>	<u>(53,187,424)</u>
Net water plant	<u>\$ 76,556,273</u>	<u>\$ 6,369,935</u>	<u>\$ 3,470,249</u>	<u>\$ 79,455,959</u>

# City of Oak Creek

Notes to Financial Statements  
December 31, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Sewer</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 13,145	\$ -	\$ -	\$ 13,145
Intangibles	16,175	-	-	16,175
Construction in progress	<u>208,431</u>	<u>818,999</u>	<u>363,115</u>	<u>664,315</u>
Total capital assets not being depreciated	<u>237,751</u>	<u>818,999</u>	<u>363,115</u>	<u>693,635</u>
Capital assets being depreciated/amortized:				
Collection system	48,542,665	-	-	48,542,665
Collection system pumping	216,164	-	-	216,164
General	<u>639,212</u>	<u>29,660</u>	<u>-</u>	<u>668,872</u>
Total capital assets being depreciated/amortized	<u>49,398,041</u>	<u>29,660</u>	<u>-</u>	<u>49,427,701</u>
Total capital assets	<u>49,635,792</u>	<u>848,659</u>	<u>363,115</u>	<u>50,121,336</u>
Less accumulated depreciation/amortization for:				
Collection system	(13,130,996)	(503,329)	-	(13,634,325)
Collection system pumping	(216,164)	-	-	(216,164)
General	<u>(590,136)</u>	<u>(26,491)</u>	<u>-</u>	<u>(616,627)</u>
Total accumulated depreciation/amortization	<u>(13,937,296)</u>	<u>(529,820)</u>	<u>-</u>	<u>(14,467,116)</u>
Net sewer plant	<u>\$ 35,698,496</u>	<u>\$ 318,839</u>	<u>\$ 363,115</u>	<u>\$ 35,654,220</u>
Business-type capital assets, net of depreciation/amortization	<u>\$ 112,254,769</u>	<u>\$ 6,688,774</u>	<u>\$ 3,833,364</u>	<u>\$ 115,110,179</u>

Depreciation/amortization expense was charged to functions as follows:

### Business-Type Activities

Water	\$ 2,717,257
Sewer	<u>580,029</u>

Total business-type activities depreciation/ amortization expense \$ 3,297,286

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, 2023

## 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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General fund	Water utility	\$ 1,687,236	\$ -
General fund	Sewer utility	10,695	-
General fund	Capital projects fund, Developer agreement fund	40,280	-
Internal service fund, Health insurance fund	Water utility	117,053	-
Internal service fund, Health insurance fund	Sewer utility	50,165	-
Water utility	General fund	257,729	-
Sewer utility	General fund	191,527	15,540
Sewer utility	Special revenue fund, Special assessment fund	3,897	-
Sewer utility	Capital projects fund, Capital improvement fund	60,259	-
Water utility	Capital projects fund, Capital improvement fund	106,872	70,543
Water utility	Special revenue fund, Special assessment fund	<u>449,007</u>	<u>387,039</u>
Total, fund financial statements		2,965,720	
Less fund eliminations		(40,280)	
Less government-wide eliminations		<u>(2,138,582)</u>	
Total internal balances - government-wide statement of net position		<u>\$ 786,858</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, 2023

### Transfers

The following is a schedule of interfund transfers:

Fund Transferred From	Fund Transferred To	Amount	Principal Purpose
Water utility	General fund	\$ 1,653,004	Tax equivalent
General fund	Special revenue fund, Donation and activity fund	24,921	Library supplies
Special revenue fund, Emergency Medical Services	Capital projects fund, Capital improvement fund	380,000	Finance of capital projects
Special revenue fund, WE Energies	Capital projects fund, Capital improvement fund	1,000,112	Finance of capital projects
Special revenue fund, Storm water	Capital projects fund, Capital improvement fund	1,480,000	Finance of capital projects
Debt service funds, Debt amortization	Debt service funds, Debt service	2,200,000	Finance debt
Special revenue fund, Impact fee	Debt service funds, Debt service	80,000	Finance debt
Capital projects fund, TID #8	Capital projects fund, TID #13	560,000	Excess increment
Capital projects fund, TID #10	Capital projects fund, TID #13	275,000	Excess increment
Capital projects fund, TID #11	Capital projects fund, Capital improvement	1,600,000	Finance of capital projects
Capital projects fund, TID #12	Capital projects fund, Capital improvement	1,462,853	Finance of capital projects
Capital projects fund, TID #13	Capital projects fund, Capital improvement	10,330,000	Finance of capital projects
Capital projects fund, TID #16	Capital projects fund, TID #13	90,000	Excess increment
Special revenue fund, Future improvement	Capital projects fund, Capital improvement	5,750	Finance of capital projects
Special revenue fund, Impact fee	Capital projects fund, Capital improvement	1,298,641	Finance of capital projects
Special revenue fund, Tourism Commission	General fund	14,841	Special event reimbursement
Special revenue fund, ARPA	Capital projects fund, Capital improvement	1,096,428	Finance of capital projects
Special revenue fund, ARPA	Special revenue fund, Donation and activity	47,548	Finance Case Manager position
General Fund	Capital projects fund, Capital improvement	822,676	Finance of capital projects
General Fund	Internal service fund	1,147,330	Finance health costs
General fund	Capital projects fund, Capital improvement	756	Reimburse capital projects
Subtotal, fund financials		25,569,860	
Less fund eliminations		(23,916,856)	
Total government-wide statement of activities		\$ 1,653,004	



# City of Oak Creek

Notes to Financial Statements  
December 31, 2023

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 the LGIP rate plus 25 basis points as the interest rate on this advance. As of December 31, 2023, the advance has an interest rate of 5.63%.

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

	<u>Principal</u>	<u>Interest</u>
Years ending December 31:		
2024	\$ 220,414	\$ 75,943
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>\$ 1,348,899</u>	<u>\$ 187,428</u>

# City of Oak Creek

Notes to Financial Statements  
December 31, 2023

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation debt:					
Notes and bonds	\$ 104,960,000	\$ 33,945,000	\$ 29,034,000	\$ 109,871,000	\$ 9,391,000
Add unamortized debt premium	<u>2,255,553</u>	<u>1,137,347</u>	<u>428,976</u>	<u>2,963,924</u>	<u>-</u>
Subtotal	<u>107,215,553</u>	<u>35,082,347</u>	<u>29,462,976</u>	<u>112,834,924</u>	<u>9,391,000</u>
Other liabilities:					
Vested compensated absences	1,272,586	955,347	836,028	1,391,905	254,005
Net pension liability	-	8,571,962	-	8,571,962	-
Net OPEB liability, life	1,622,570	-	474,066	1,148,504	-
Total OPEB liability, health	<u>42,281,980</u>	<u>-</u>	<u>6,441,020</u>	<u>35,840,960</u>	<u>-</u>
Total other liabilities	<u>45,177,136</u>	<u>9,527,309</u>	<u>7,751,114</u>	<u>46,953,331</u>	<u>254,005</u>
Total governmental activities long-term liabilities	<u>\$ 152,392,689</u>	<u>\$ 44,609,656</u>	<u>\$ 37,214,090</u>	<u>\$ 159,788,255</u>	<u>\$ 9,645,005</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
Revenue bonds	\$ 12,419,609	\$ -	\$ 1,160,367	\$ 11,259,242	\$ 1,190,493
Subtotal	<u>12,419,609</u>	<u>-</u>	<u>1,160,367</u>	<u>11,259,242</u>	<u>1,190,493</u>
Other liabilities:					
Net OPEB liability, life	232,033	-	55,430	176,603	-
Total OPEB liability, health	2,310,648	-	244,856	2,065,792	-
Net pension liability	-	637,948	-	637,948	-
Pollution remediation obligation	<u>2,295,600</u>	<u>-</u>	<u>-</u>	<u>2,295,600</u>	<u>-</u>
Total other liabilities	<u>4,838,281</u>	<u>637,948</u>	<u>300,286</u>	<u>5,175,943</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 17,257,890</u>	<u>\$ 637,948</u>	<u>\$ 1,460,653</u>	<u>\$ 16,435,185</u>	<u>\$ 1,190,493</u>

# City of Oak Creek

Notes to Financial Statements

December 31, 2023

## 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, 2023 was \$276,560,560. Total general obligation debt outstanding at year end was \$109,871,000.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/23</u>
<b>Governmental Activities</b>					
General obligation debt:					
G.O. notes and bonds:					
2014B GO refunding bonds	12/16/14	05/01/32	2.00-3.37%	\$ 2,725,000	\$ 1,525,000
2015A GO refunding bonds	01/20/15	06/01/34	2.00-4.00	19,650,000	13,575,000
2016C GO refunding bonds	10/18/16	10/01/32	2.00-4.00	17,125,000	12,900,000
2016D GO refunding bonds	10/18/16	10/01/32	2.00-3.15	5,925,000	4,450,000
2017B GO refunding bonds	08/01/17	03/01/37	3.85-4.00	2,900,000	2,565,000
2018A GO refunding bonds	04/03/18	04/01/32	3.57-4.00	8,900,000	7,050,000
2018B GO refunding bonds	08/30/18	04/01/27	2.00-4.00	5,175,000	2,975,000
2018C GO refunding bonds	08/30/18	04/01/27	3.00-4.00	5,140,000	3,070,000
2018D GO refunding bonds	11/27/18	10/01/32	3.95-4.25	5,100,000	4,350,000
2019B GO refunding bonds	08/01/19	10/01/24	2.10-2.25	1,030,000	105,000
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	2,975,000
2020 GO promissory note	01/06/20	04/01/29	1.80-2.50	1,135,000	780,000
2020 GO refunding bond	04/01/20	10/01/29	1.90-2.40	835,000	575,000
2020C GO refunding bond	04/01/20	10/01/29	1.75-2.70	5,070,000	3,960,000
2021A GO promissory notes	05/20/21	04/01/31	0.25-2.00	3,945,000	3,595,000
2021C GO refunding bonds	12/29/21	12/01/32	2.00-4.00	6,030,000	4,405,000
2021D GO promissory notes	12/29/21	04/01/28	0.35-1.70	2,585,000	2,295,000
2022 GO refunding bonds	04/06/22	04/01/36	1.45-3.05	2,325,000	2,210,000
2023A GO refunding bonds	01/05/23	04/01/24	4.45-4.55	3,350,000	1,991,000
2023B note anticipation notes	04/24/23	04/01/26	4.00	11,205,000	11,205,000
2023C GO promissory notes	04/24/23	04/01/33	4.00-5.00	3,520,000	3,520,000
2023D GO refunding bonds	09/20/23	04/01/43	4.00-5.00	15,870,000	15,870,000
Total governmental activities, general obligation debt					<u>\$ 109,871,000</u>

# City of Oak Creek

Notes to Financial Statements  
December 31, 2023

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

	<b>Governmental Activities General Obligation Notes and Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
Years ending December 31:		
2024	\$ 9,391,000	\$ 3,907,609
2025	7,940,000	3,517,998
2026	19,990,000	3,011,272
2027	9,270,000	2,475,357
2028	8,485,000	2,176,173
2029-2033	38,750,000	6,477,920
2034-2038	9,210,000	2,339,743
2039-2043	6,835,000	749,263
Total	<u>\$ 109,871,000</u>	<u>\$ 24,655,335</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 \$12,289,262. Principal and interest paid for the current year and total customer net revenues were \$1,378,799 and \$9,124,605 respectively. Future principal and interest payments are expected to require 14% of net revenues.

Revenue debt payable at December 31, 2023 consists of the following:

## Business-Type Activities Revenue Debt

	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Balance 12/31/23</b>
Water utility revenue bonds	01/13/10	05/01/29	2.668%	\$ 791,863	\$ 293,973
Water utility revenue bonds	11/23/11	05/01/31	2.20	5,889,583	2,666,710
Water utility revenue bonds	05/22/13	05/01/33	1.925	2,594,795	1,420,712
Water utility revenue bonds	05/28/14	05/01/34	1.925	4,850,988	3,102,847
Water utility revenue bonds	11/12/20	12/01/31	1.67	4,705,000	3,775,000
Total business-type activities revenue debt					<u>\$ 11,259,242</u>

# City of Oak Creek

Notes to Financial Statements

December 31, 2023

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:				
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	460,000	34,535	804,245	81,444
2029-2033	1,545,000	57,683	3,314,330	173,449
2034	-	-	309,727	2,981
Total	<u>\$ 3,775,000</u>	<u>\$ 283,583</u>	<u>\$ 7,484,242</u>	<u>\$ 746,387</u>

## Other Debt Information

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

## Current Refundings

On January 5, 2023, the City issued \$3,350,000 of general obligation refunding bonds with an average coupon rate of 4.59% to refund \$3,325,000 of outstanding bonds with an average coupon rate of 3.61%. The net proceeds were used to prepay the outstanding debt. The cash flow requirements on the refunded debt prior to the current refunding was \$3,936,344 from 2023 through 2032. The cash flow requirements on the refunding bonds are \$3,476,678 from 2023 through 2024. The current refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$394,825.

On September 20, 2023, the City issued \$15,870,000 of general obligation refunding bonds with an average coupon rate of 4.54% to refund \$16,220,000 of outstanding note anticipation notes with an average coupon rate of 2.00%. The net proceeds were used to prepay the outstanding debt. The cash flow requirements on the refunded debt prior to the current refunding was \$16,706,600 from 2023 through 2024. The cash flow requirements on the refunding bonds are \$25,498,231 from 2024 through 2043. The current refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$434,523.

# City of Oak Creek

Notes to Financial Statements  
December 31, 2023

## Lease Disclosures

### Lessor - Lease Receivables

#### Business-Type Activities

<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Receivable Balance 12/31/23</u>
Cellular antennas on water towers	1995-2013	2032-2052	0.5%	\$ 14,209,939

The City recognized \$411,212 of lease revenue during the year.

The City recognized \$18,919 of interest revenue during the year.

During 2023, the water utility had new lease amendments and remeasurements on two of the current water towers for a total increase of \$3,760,532.

### Net Position/Fund Balances

Net position reported on the government wide statement of net position at December 31, 2023 includes the following:

#### Governmental Activities

Net investment in capital assets:

Land	\$ 23,867,678
Construction in progress	8,257,207
Other capital assets, net of accumulated depreciation	124,488,861
Less related long-term debt and premium outstanding (excluding noncapital debt)	<u>(87,894,553)</u>

Total net investment in capital assets 68,719,193

Restricted:

Debt service	114,955
TID activity	7,822,630
Storm Water	1,109,201
Donation and activity	2,462,690
Asset forfeiture	216,996
WE Energies	265,733
Special assessments	4,513,410
Economic development	1,825,361
Tourism commission	571,236
Park escrow	81,287
Low income loans	14,328
ARPA	221,057
Impact fees	<u>6,809,606</u>

Total restricted 26,028,490

Unrestricted (deficit) (26,909,184)

Total governmental activities net position \$ 67,838,499

# City of Oak Creek

Notes to Financial Statements  
December 31, 2023

Governmental fund balances reported on the fund financial statements at December 31, 2023 include the following:

## **Nonspendable Fund Balance**

Major fund:

General fund:

Inventories	\$	165,074
Delinquent personal property taxes		11,415
Noncurrent receivables from other funds		21,541

Total nonspendable fund balance \$ 198,030

## **Restricted Fund Balance**

Major funds:

Debt service, debt service fund	\$	53,838
Debt service, debt amortization fund		1,026,333
Capital projects, TIF No. 13 capital projects fund		4,123,985

Total major funds 5,204,156

Nonmajor funds:

Special revenue funds:

Donation and activity	2,462,690
We Energies fund	265,733
Low income loan	7,825
Special assessments	2,824,209
Economic development	1,825,361
Impact fee escrow	6,809,606
Asset forfeiture	216,996
Storm water	1,109,201
Tourism commission	571,236
Park escrow	81,287
ARPA	221,057

Debt service funds:

TIF No. 6 debt service	356,107
------------------------	---------

Capital projects funds:

TIF No. 7 capital projects	680,026
TIF No. 8 capital projects	206,063
TIF No. 10 capital projects	16,872
TIF No. 11 capital projects	1,431,671
TIF No. 12 capital projects	39,381
TIF No. 14 capital projects	189,080
TIF No. 15 capital projects	31,023
TIF No. 16 capital projects	748,422

Total nonmajor funds 20,093,846

Total restricted fund balance \$ 25,298,002

## City of Oak Creek

Notes to Financial Statements  
December 31, 2023

### Committed Fund Balance

Major funds:	
Emergency Medical Services	\$ 1,799,800
Nonmajor funds:	
Special revenue funds:	
Solid waste	376,971
Consolidated dispatch services	230,950
	<u>607,921</u>
Total nonmajor funds	<u>607,921</u>
Total committed fund balance	<u>\$ 2,407,721</u>

### Assigned Fund Balance

Major funds:	
General fund:	
Tax equivalent for subsequent year	\$ 1,653,004
Capital improvement fund	11,919,236
	<u>13,572,240</u>
Total assigned fund balance	<u>\$ 13,572,240</u>

### Unassigned Fund Balance (Deficit)

Major funds:	
General fund	\$ 10,376,944
Nonmajor funds:	
Capital Projects Fund:	
Developer Agreement fund (deficit)	(12,741)
	<u>(12,741)</u>
Total nonmajor funds	<u>(12,741)</u>
Total unassigned fund balance (deficit)	<u>\$ 10,364,203</u>

### Business-Type Activities

Net investment in capital assets:	
Land and land rights	\$ 308,195
Intangible assets, net of amortization	40,793
Construction in progress	4,250,441
Other capital assets, net of accumulated depreciation	110,510,750
Less payables and accruals for capital assets	(391,042)
Less related long-term debt outstanding (excluding unspent capital related debt proceeds, net of unamortized loss on debt refunding)	(11,100,406)
	<u>103,618,731</u>
Total net investment in capital assets	<u>103,618,731</u>
Restricted:	
Debt service	1,147,707
	<u>1,147,707</u>
Unrestricted	<u>36,535,442</u>
Total business-type activities net position	<u>\$ 141,301,880</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.

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.

**Postretirement Adjustments**

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

<b>Year</b>	<b>Core Fund Adjustment</b>	<b>Variable Fund Adjustment</b>
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
2022	7.4	15.0

**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.

During the reporting period, the WRS recognized \$2,045,864 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2023 are:

<b>Employee Category</b>	<b>Employee</b>	<b>Employer</b>
General (Executives & Elected Officials)	6.50%	6.50%
Protective with Social Security	6.50	12.00
Protective without Social Security	6.50	16.40

## City of Oak Creek

Notes to Financial Statements

December 31, 2023

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

At December 31, 2023, the City reported a liability of \$9,209,910 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.17384721%, which was an increase of 0.00261287% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense (revenue) of \$4,513,840.

At December 31, 2023, 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	\$ 14,668,533	\$ 19,271,159
Changes in assumption	1,811,049	-
Net differences between projected and actual earnings on pension plan investments	15,645,511	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	22,241	77,044
Employer contributions subsequent to the measurement date	<u>2,265,674</u>	<u>-</u>
Total	<u>\$ 34,413,008</u>	<u>\$ 19,348,203</u>

\$2,265,674 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, 2024. 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:	
2024	\$ 522,988
2025	2,647,441
2026	2,708,046
2027	6,920,656

**Actuarial Assumptions**

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

# City of Oak Creek

Notes to Financial Statements

December 31, 2023

## 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:

<b>Asset Allocation Targets and Expected Returns* As of December 31, 2022</b>			
<b>Core Fund Asset Class</b>	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %**</b>
Public Equity	48%	7.6%	5.0%
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund***	115	7.4	4.8
<b>Variable Fund Asset Class</b>			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

\* 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 6.8% and a municipal bond rate of 4.05% (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, 2022. 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

Notes to Financial Statements

December 31, 2023

### 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 (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
City of Oak Creek's proportionate share of the net pension liability/(asset)	\$ 30,567,391	\$ 9,209,910	\$ (5,482,205)

### 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, 2023, 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 \$7,120,352 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, 2023, 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 nonincremental costs to the claims liability.

# City of Oak Creek

Notes to Financial Statements  
December 31, 2023

## Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims, beginning of year	\$ 347,302	\$ 368,984
Current year claims and changes in estimates	6,016,079	7,385,418
Claim payments	<u>(5,994,397)</u>	<u>(7,212,760)</u>
Unpaid claims, end of year	<u>\$ 368,984</u>	<u>\$ 541,642</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, 2023. 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 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, 2023 were \$209,741.

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, 2023 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 retainment. 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, 2023 were \$176,638.

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, 2023 were \$0, (\$5,300,000 was paid in 2015).



## City of Oak Creek

### Notes to Financial Statements

December 31, 2023

---

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, 2023 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 abatement is authorized through the TID project plan and development agreement. The developer has agreed to meet a minimum assessed value of \$64,313,600 effective 2028 per the development agreement. The developer will receive a \$6,500,000 City loan once the developer secures \$18,500,000 of cash equity for the project. Additionally, 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 equal to 100% of taxes paid up to \$8,400,000 or as much as can be received by TID 11's mandatory termination date. Aggregate incentive payments for the year ended December 31, 2023 were \$0.

The City of Oak Creek through its Tax Incremental Financing District (TID) 11 has entered into an agreement with developers in the form of a tax incremental financing incentive payments to stimulate economic development. The abatement is authorized through the TID project plan and development agreement. The developer received \$808,781 upon ownership of said property and agreed to meet a minimum assessed value of \$5 million in 2019 and \$8 million each year 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 value, and the actual real estate taxes. Aggregate incentive payments for the year ended December 31, 2023 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 \$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, 2023 were \$0.

## City of Oak Creek

---

### Notes to Financial Statements

December 31, 2023

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, 2023 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 \$1,680,051 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, 2023 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, 2023 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, 2023 were \$375,464.

## City of Oak Creek

---

### Notes to Financial Statements

December 31, 2023

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. The developer will receive the tax amount back less the debt service for the land purchase up to \$2,978,400. Aggregate incentive payments for the year ended December 31, 2023 were \$315,000.

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, 2023 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, 2023 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, 2023 were \$0.

## City of Oak Creek

---

Notes to Financial Statements  
December 31, 2023

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 \$6,300,000 effective 2025, with a 1.5% increase each year during the terms of 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 equal to 95% of taxes paid up to \$1,088,000 or as much as can be received by TID 13's mandatory termination date. Aggregate incentive payments for the year ended December 31, 2023 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 \$17,160,000 effective 2026, with a 1.5% increase each year during the terms of 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 equal to 95% of taxes paid up to \$7,075,000 or as much as can be received by TID 13's mandatory termination date. Aggregate incentive payments for the year ended December 31, 2023 were \$0.

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. The developer receives payments back of the taxes paid less the base value up to \$880,000 or as much as can be received by TID 14's mandatory termination date. Aggregate incentive payments for the year ended December 31, 2023 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, 2023 were \$75,774.

## City of Oak Creek

Notes to Financial Statements

December 31, 2023

---

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, 2023 were \$2,329,764.

### **Other Postemployment Benefits**

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

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

### **General Information About the OPEB Plan**

#### **Plan Description**

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

#### **Benefits Provided**

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

##### **Utility**

Employees hired prior to January 1, 1983 and retired prior to December 31, 2006 pay the same as active and get benefits for life after retiring with 10 years of service. Employees hired January 1, 1983 – December 31, 2005 and retire prior to December 31, 2005 pay 40% of the pre and post 65 premium after retiring with 10 years of service. Employees hired January 1, 1983 – December 31, 2005 and retire after December 31, 2008 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 December 31, 2005 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 December 31, 2005 need 10 years of service, after December 31, 2005, 15 years of service are required. Employees hired prior to January 1, 2009 are eligible for post 65 insurance. Those hired after January 1, 2009 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.

# City of Oak Creek

Notes to Financial Statements

December 31, 2023

## 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 December 31, 2005 need 10 years of service, after December 31, 2005, 15 years of service are required. Employees hired prior to January 1, 2009 are eligible for post 65 insurance. Those hired after January 1, 2009 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 December 31, 2005 need 10 years of service, after December 31, 2005, 15 years of service are required. Employees hired prior to January 1, 2009 are eligible for post 65 insurance. Those hired after January 1, 2009 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 February 1, 1995 need 15 years of service. Employees who retired prior to December 31, 2005 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. Non Represented.

Employees hired prior to January 1, 2006 need 10 years of service, after December 31, 2005, 15 years of service are required. Employees hired before July 1, 1983 who retired before December 31, 2005 receive post 65 benefits and contribute 0%; those who retire before December 31, 2011 pay 20%. Future retirees are required to pay 20% of the premium to participate in the plan.

- \* General and Police hired after January 1, 2015 and firefighters hired after January 1, 2016 are not eligible for retiree medical coverage under this plan.

## Employees Covered by Benefit Terms

At December 31, 2023, 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 \$37,906,752 was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2022.

## City of Oak Creek

Notes to Financial Statements

December 31, 2023

### 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 (2.72%) or 1-percentage-point higher 4.72% than the current discount rate:

	<u>1% Decrease (2.72%)</u>	<u>Discount Rate (3.72%)</u>	<u>1% Increase (4.72%)</u>
Total OPEB liability	\$ 41,314,673	\$ 37,906,752	\$ 34,907,156

### 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	3.72%
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.

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.

## City of Oak Creek

Notes to Financial Statements

December 31, 2023

### Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2022	\$ 44,592,628
Charges for the year:	
Service cost	751,157
Interest	909,191
Changes in assumptions or other inputs	(5,917,275)
Benefit payments	<u>(2,428,949)</u>
Net changes	<u>(6,685,876)</u>
Balance at December 31, 2023	<u>\$ 37,906,752</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:

	<u>1% Decrease (4.60% Decreasing to 2.70%)</u>	<u>Current Trend Rate (5.60% Decreasing to 3.70%)</u>	<u>1% Increase (6.60% Decreasing to 4.70%)</u>
Total OPEB liability	\$ 34,306,132	\$ 37,906,752	\$ 42,071,668

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

For the year ended December 31, 2023 the City recognized OPEB expense of \$1,393,847. At December 31, 2023 the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,904,783	\$ -
Changes of assumptions or other inputs	2,955,868	4,872,115
Employer contributions, subsequent to the measurement date	<u>2,319,164</u>	<u>-</u>
Total	<u>\$ 7,179,815</u>	<u>\$ 4,872,115</u>



## City of Oak Creek

Notes to Financial Statements  
December 31, 2023

\$2,319,164 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, 2024. Amounts reported as deferred outflows of resource related to OPEB will be recognized in OPEB expense as follows:

	<b>Deferred Outflow of Resources and Deferred Inflows of Resources (Net)</b>
Years ending December 31	
2024	\$ 650,693
2025	555,608
2026	(502,490)
2027	(715,275)

### 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 postemployment 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-etf/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.

#### 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 postretirement 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.

## City of Oak Creek

Notes to Financial Statements

December 31, 2023

Contribution rates for the plan year reports as of December 31, 2023 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 \$6,978 in contribution from the employer.

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

At December 31, 2023, the City reported a liability of \$1,325,107 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. 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, 2022, the City's proportion was 0.34781300%, which was an increase of 0.03402500% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized OPEB expense of \$132,527.

## City of Oak Creek

Notes to Financial Statements

December 31, 2023

At December 31, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 129,684
Changes in assumptions	476,082	782,177
Net differences between projected and actual earnings on OPEB plan investments	24,865	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	162,707	114,327
Employer contributions subsequent to the measurement date	<u>7,778</u>	<u>-</u>
Total	<u>\$ 671,432</u>	<u>\$ 1,026,188</u>

\$7,778 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, 2024. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
Years ending December 31:	
2024	\$ (20,316)
2025	(31,570)
2026	(12,497)
2027	(73,738)
2028	(125,907)
Thereafter	(98,506)

# City of Oak Creek

Notes to Financial Statements  
December 31, 2023

## Actuarial Assumptions

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

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1%-perce5.6%
Mortality:	2020 WRS Experience Mortality Table

\* Based on the Bond Buyers GO Index

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	50.00%	2.45%
U.S. Mortgages	Bloomberg U.S. MBS	50.00	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

## City of Oak Creek

Notes to Financial Statements

December 31, 2023

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 remained unchanged from the prior year at 2.30%.

### Single Discount Rate

A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. 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 3.76%, 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 (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

	<b>1% Decrease to Discount Rate (2.76%)</b>	<b>Current Discount Rate (3.76%)</b>	<b>1% Increase to Discount Rate (4.76%)</b>
City's proportionate share of the net OPEB liability	\$ 1,806,644	\$ 1,325,107	\$ 956,066

### 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 2023, 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. 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**

Required Supplementary Information  
Budgetary Comparison Schedule -  
General Fund  
Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>			
Taxes:			
General property taxes	\$ 16,749,992	\$ 16,749,824	\$ (168)
Motel room tax	457,000	457,000	-
Mobile home taxes	56,000	50,527	(5,473)
Motor vehicle taxes	4,300	3,160	(1,140)
Other taxes	20,000	558	(19,442)
Total	<u>17,287,292</u>	<u>17,261,069</u>	<u>(26,223)</u>
Intergovernmental revenues:			
Shared taxes from state	2,969,141	2,919,644	(49,497)
State transportation aids	2,045,803	2,045,803	-
State computer aids	133,593	133,593	-
Other state aids	4,100	4,404	304
Health department block grant	4,500	103,545	99,045
Video service aid	87,070	87,070	-
Police grants	233,657	280,198	46,541
Total	<u>5,477,864</u>	<u>5,574,257</u>	<u>96,393</u>
Regulation and compliance:			
Licenses:			
Liquor and beer	62,000	72,204	10,204
Publishing fees	900	820	(80)
Operators	28,000	25,900	(2,100)
Amusement devices	6,500	5,265	(1,235)
Amusement operators	1,200	1,050	(150)
Miscellaneous, business	9,750	11,507	1,757
Miscellaneous, nonbusiness	75	-	(75)
DATCP	100,000	110,187	10,187
Late sanitarian license renewal	500	1,140	640
Sanitarian plan review	3,000	455	(2,545)
Permits:			
Building	477,000	650,874	173,874
Electrical	125,000	171,113	46,113
Plumbing	90,000	89,670	(330)
Street opening	10,000	11,801	1,801
Erosion control	12,500	10,628	(1,872)
Temp food	2,000	-	(2,000)
Sundry	500	350	(150)
Landscape, lighting & sign review	6,000	6,650	650
Cable TV	250,000	244,464	(5,536)
AT&T video service	75,000	58,763	(16,237)
Court fines	450,000	433,046	(16,954)
Bail service fee	800	25	(775)
Total	<u>1,710,725</u>	<u>1,905,912</u>	<u>195,187</u>

See notes to required supplementary information



**City of Oak Creek**

Required Supplementary Information  
 Budgetary Comparison Schedule -  
 General Fund  
 Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance With Final Budget
Public charges for services:			
General government			
Property status letter fees	\$ 10,000	\$ 14,050	\$ 4,050
Administrative fees	28,000	37,229	9,229
Photo copies sold	1,500	300	(1,200)
Zoning/housing appeal fees	800	1,000	200
Rezoning petitions and filing fees	3,000	1,550	(1,450)
Text amendment fees	500	2,000	1,500
Right of way vacation fees	575	-	(575)
Special use request fees	12,000	19,855	7,855
Filing fee, certified survey maps	7,000	5,275	(1,725)
Expedited review fees	-	4,400	4,400
Plan commission agenda fees	20,000	22,400	2,400
Map amendments	1,200	2,000	800
Subdivision plat fees	1,000	(750)	(1,750)
Maps sold	25	44	19
Temporary use permit	-	200	200
Zoning code letter of interpretation	-	350	350
Certificate of zoning compliance	-	445	445
Home occupation permit	-	200	200
Condominium plats	-	875	875
Sidewalk/outdoor dining permit	-	50	50
Temporary sign	-	2,000	2,000
Public safety:			
State DWI seizures	1,500	-	(1,500)
Police special event service fees	4,000	1,854	(2,146)
Police patrol service fees	1,000	1,487	487
Miscellaneous fees	2,000	2,674	674
Copies of police and fire reports	1,500	1,810	310
False alarm penalties	10,000	7,250	(2,750)
Health and sanitation:			
Health department:			
Clinic fees	9,000	13,589	4,589
Pet license fees/humane society	12,500	11,783	(717)
Public works:			
Weed cutting	8,000	3,380	(4,620)
Sale of culvert pipe	10,000	11,118	1,118
Culvert installation	2,000	1,216	(784)
Facilities maintenance, school district	47,333	47,333	-
Library:			
Other income	15,000	10,309	(4,691)
Photocopies	7,000	8,724	1,724
Recreation	85,510	83,063	(2,447)
Sanitarian:			
Pre-inspection	5,000	5,866	866
Regular service fee	2,000	2,264	264
Miscellaneous charges for services	2,000	128	(1,872)
Total	<u>310,943</u>	<u>327,321</u>	<u>16,378</u>
Investment income:			
Investments	155,000	1,272,117	1,117,117
Taxes	100,000	82,094	(17,906)
Total	<u>255,000</u>	<u>1,354,211</u>	<u>1,099,211</u>
Miscellaneous income:			
AT&T American tower lease	31,740	36,501	4,761
South Suburban Chamber Lease	6,000	-	(6,000)
Insurance incentives	25,000	23,844	(1,156)
Insurance recoveries	9,000	25,084	16,084
P-card rebates	15,000	18,957	3,957
Scrap poles	-	756	756
Miscellaneous revenues	10,000	363	(9,637)
Total	<u>96,740</u>	<u>105,505</u>	<u>8,765</u>

See notes to required supplementary information

**City of Oak Creek**

Required Supplementary Information  
 Budgetary Comparison Schedule -  
 General Fund  
 Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance With Final Budget
Interfund charges for services:			
Engineering and administration charged to TID projects	\$ 300,000	\$ 325,000	\$ 25,000
Highway equipment service fee	44,000	224,786	180,786
Administrative services charged to enterprise funds	45,000	45,000	-
Engineering fees, developer	-	5	5
Miscellaneous charges for services	42,436	42,000	(436)
Total	<u>431,436</u>	<u>636,791</u>	<u>205,355</u>
Total revenues	<u>25,570,000</u>	<u>27,165,066</u>	<u>1,595,066</u>
<b>Expenditures</b>			
General government:			
General government	5,107,485	2,970,209	2,137,276
Building maintenance	775,647	774,160	1,487
City administrator	358,751	350,122	8,629
Data processing	1,199,897	1,181,950	17,947
City clerk	247,508	243,017	4,491
Treasurer	151,450	135,354	16,096
Finance	445,449	368,360	77,089
Assessor	223,708	234,306	(10,598)
Attorney and legal	271,782	200,244	71,538
Community development	417,485	349,217	68,268
Total	<u>9,199,162</u>	<u>6,806,939</u>	<u>2,392,223</u>
Public safety:			
Police department	9,792,440	9,640,629	151,811
Emergency operations	19,062	7,915	11,147
Fire department	2,152,099	2,029,467	122,632
Inspection	511,570	525,365	(13,795)
Other	213,291	184,705	28,586
Total	<u>12,688,462</u>	<u>12,388,081</u>	<u>300,381</u>
Health and social services:			
Health department	631,356	599,390	31,966
Total	<u>631,356</u>	<u>599,390</u>	<u>31,966</u>
Public works:			
Engineering	734,524	615,182	119,342
Streets	4,078,476	3,850,147	228,329
Total	<u>4,813,000</u>	<u>4,465,329</u>	<u>347,671</u>
Leisure activities:			
Conservation and recreation	420,027	396,381	23,646
Library	1,134,240	1,109,319	24,921
Parks	613,753	588,130	25,623
Total	<u>2,168,020</u>	<u>2,093,830</u>	<u>74,190</u>
Total expenditures	<u>29,500,000</u>	<u>26,353,569</u>	<u>3,146,431</u>
<b>Other Financing Sources (Uses)</b>			
Sale of property	20,000	34,273	14,273
Transfer in	25,000	14,841	(10,159)
Transfer in, tax equivalent	1,800,000	1,653,004	(146,996)
Transfer out	-	(1,995,682)	(1,995,682)
Total other financing sources (uses)	<u>1,845,000</u>	<u>(293,564)</u>	<u>(2,138,564)</u>
Net change in fund balance	<u>\$ (2,085,000)</u>	<u>517,933</u>	<u>\$ 2,602,933</u>
<b>Fund Balance, Beginning</b>		<u>11,710,045</u>	
<b>Fund Balance, Ending</b>		<u>\$ 12,227,978</u>	

See notes to required supplementary information

## City of Oak Creek

Required Supplementary Information  
Budgetary Comparison Schedule -  
Emergency Medical Services Fund - Special Revenue Fund  
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 3,813,957	\$ 3,813,957	\$ -
Intergovernmental	355,336	422,004	66,668
Public charges for services	1,575,000	1,997,155	422,155
Investment income	500	137,932	137,432
Misc revenue	240	-	(240)
	<u>5,745,033</u>	<u>6,371,048</u>	<u>626,015</u>
Total revenues	<u>5,745,033</u>	<u>6,371,048</u>	<u>626,015</u>
<b>Expenditures</b>			
Current:			
Public safety	<u>5,745,033</u>	<u>5,838,881</u>	<u>(93,848)</u>
	<u>5,745,033</u>	<u>5,838,881</u>	<u>(93,848)</u>
Total expenditures	<u>5,745,033</u>	<u>5,838,881</u>	<u>(93,848)</u>
Excess of revenues over expenditures	<u>-</u>	<u>532,167</u>	<u>532,167</u>
<b>Other Financing Uses</b>			
Transfers out	<u>(380,000)</u>	<u>(380,000)</u>	<u>-</u>
	<u>(380,000)</u>	<u>(380,000)</u>	<u>-</u>
Total other financing uses	<u>(380,000)</u>	<u>(380,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (380,000)</u>	<u>152,167</u>	<u>\$ 532,167</u>
<b>Fund Balance, Beginning</b>		<u>1,647,633</u>	
<b>Fund Balance, Ending</b>		<u>\$ 1,799,800</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, 2023

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Total OPEB Liability</b>						
Service cost	\$ 649,113	\$ 717,788	\$ 660,328	\$ 611,097	\$ 698,873	\$ 751,157
Interest	1,366,954	1,288,751	1,436,753	1,010,643	818,131	909,191
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	(5,917,275)
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>	<u>(2,428,949)</u>
Net change in total OPEB Liability	1,248,062	(2,360,309)	1,970,064	1,635,386	5,584,111	(6,685,876)
<b>Total OPEB Liability, Beginning</b>	<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>	<u>44,592,628</u>
<b>Total OPEB Liability, Ending</b>	<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>	<u>\$ 37,906,752</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>	<u>\$ 22,680,678</u>
Total OPEB liability as a percentage of covered-employee payroll	190.13%	174.51%	173.19%	179.78%	201.24%	167.13%

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, 2023

<b>Plan Fiscal Year Ending</b>	<b>Proportion of the Net OPEB Liability</b>	<b>Proportionate Share of the Net OPEB Liability</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
12/31/17	0.34563500%	\$ 1,039,871	\$ 14,534,940	7.15%	44.81%
12/31/18	0.34855800%	899,397	18,848,000	4.77%	48.69%
12/31/19	0.34093800%	1,451,780	19,090,000	7.60%	37.58%
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%
12/31/22	0.34781300%	1,325,107	20,776,000	6.38%	38.81%

### Schedule of Employer Contributions - Local Retiree Life Insurance Fund

Year Ended December 31, 2023

<b>City Fiscal Year Ending</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
12/31/18	\$ 7,611	\$ 7,611	\$ -	\$ 15,601,884	0.05%
12/31/19	7,463	7,463	-	17,915,500	0.04%
12/31/20	6,687	6,687	-	19,083,901	0.04%
12/31/21	7,833	7,833	-	19,210,779	0.04%
12/31/22	7,976	7,976	-	19,808,210	0.04%
12/31/23	7,778	7,778	-	22,511,447	0.03%

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, 2023

<u>WRS Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
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%
12/31/22	0.17384721%	9,209,910	22,156,927	41.57%	95.72%

Schedule of Employer Contributions - Wisconsin Retirement System  
Year Ended December 31, 2023

<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>
12/31/15	\$ 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%
12/31/23	2,265,674	2,265,674	-	22,680,678	9.99%

See notes to required supplementary information

## City of Oak Creek

Notes to Required Supplementary Information  
December 31, 2023

---

### 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 postretirement 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 postretirement 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

## City of Oak Creek

---

Notes to Required Supplementary Information  
December 31, 2023

### 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 2.06% to 3.72%

### 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, 2023

	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
<b>Assets</b>														
Cash and investments	\$ 486,839	\$ 2,425,792	\$ 272,549	\$ 7,825	\$ 2,916,214	\$ 1,826,204	\$ 338,704	\$ -	\$ 517	\$ 1,120,967	\$ 239,738	\$ 572,247	\$ 81,287	\$ 2,181,234
Restricted cash and investments	-	-	-	-	-	-	-	6,809,606	216,479	-	-	-	-	-
Taxes receivable	1,362,516	-	-	-	90,073	-	-	-	-	1,165,798	1,855,521	-	-	-
Accounts receivable	-	71,930	14	-	-	-	-	-	-	-	31,276	528	-	-
Special assessments receivable	-	-	-	-	1,960,027	-	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	6,503	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,849,355</b>	<b>\$ 2,497,722</b>	<b>\$ 272,563</b>	<b>\$ 14,328</b>	<b>\$ 4,966,314</b>	<b>\$ 1,826,204</b>	<b>\$ 338,704</b>	<b>\$ 6,809,606</b>	<b>\$ 216,996</b>	<b>\$ 2,286,765</b>	<b>\$ 2,126,535</b>	<b>\$ 572,775</b>	<b>\$ 81,287</b>	<b>\$ 2,181,234</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>														
<b>Liabilities</b>														
Accounts payable	\$ 106,959	\$ 34,602	\$ 6,830	\$ -	\$ -	\$ (11)	\$ -	\$ -	\$ -	\$ 5,488	\$ 6,662	\$ 151	\$ -	\$ -
Accrued liabilities	2,909	430	-	-	-	854	-	-	-	6,278	33,402	1,388	-	-
Deposits	-	-	-	-	-	-	338,704	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	452,904	-	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	1,960,177
<b>Total liabilities</b>	<b>109,868</b>	<b>35,032</b>	<b>6,830</b>	<b>-</b>	<b>452,904</b>	<b>843</b>	<b>338,704</b>	<b>-</b>	<b>-</b>	<b>11,766</b>	<b>40,064</b>	<b>1,539</b>	<b>-</b>	<b>1,960,177</b>
<b>Deferred Inflows of Resources</b>														
Unearned revenues	1,362,516	-	-	-	-	-	-	-	-	1,165,798	1,855,521	-	-	-
Unavailable revenues	-	-	-	6,503	1,689,201	-	-	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>1,362,516</b>	<b>-</b>	<b>-</b>	<b>6,503</b>	<b>1,689,201</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,165,798</b>	<b>1,855,521</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit)</b>														
Restricted	-	2,462,690	265,733	7,825	2,824,209	1,825,361	-	6,809,606	216,996	1,109,201	-	571,236	81,287	221,057
Committed	376,971	-	-	-	-	-	-	-	-	-	230,950	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>376,971</b>	<b>2,462,690</b>	<b>265,733</b>	<b>7,825</b>	<b>2,824,209</b>	<b>1,825,361</b>	<b>-</b>	<b>6,809,606</b>	<b>216,996</b>	<b>1,109,201</b>	<b>230,950</b>	<b>571,236</b>	<b>81,287</b>	<b>221,057</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 1,849,355</b>	<b>\$ 2,497,722</b>	<b>\$ 272,563</b>	<b>\$ 14,328</b>	<b>\$ 4,966,314</b>	<b>\$ 1,826,204</b>	<b>\$ 338,704</b>	<b>\$ 6,809,606</b>	<b>\$ 216,996</b>	<b>\$ 2,286,765</b>	<b>\$ 2,126,535</b>	<b>\$ 572,775</b>	<b>\$ 81,287</b>	<b>\$ 2,181,234</b>

**City of Oak Creek**

Combining Balance Sheet -  
 Nonmajor Governmental Funds  
 December 31, 2023

	Debt Service Fund	Capital Projects Funds								Total Nonmajor Governmental Funds	
	TIF No. 6	Developer Agreement Fund	TIF No. 7 Capital Projects Fund	TIF No. 8 Capital Projects Fund	TIF No. 10 Capital Projects Fund	TIF No. 11 Capital Projects Fund	TIF No. 12 Capital Projects Fund	TIF No. 14 Capital Projects Fund	TIF No. 15 Capital Projects Fund		TIF No. 16 Capital Projects Fund
<b>Assets</b>											
Cash and investments	\$ 356,247	\$ -	\$ 1,682,379	\$ 205,607	\$ 17,011	\$ 1,427,838	\$ 41,636	\$ 189,219	\$ 31,162	\$ 748,562	\$ 17,169,778
Restricted cash and investments	-	-	-	-	-	-	-	-	-	-	7,026,085
Taxes receivable	342,990	-	2,892,976	2,933,446	460,470	4,575,855	2,777,120	169,999	121,086	3,706,575	22,454,425
Accounts receivable	-	21,646	-	-	-	72,992	-	-	-	-	198,386
Special assessments receivable	-	-	-	-	-	-	-	-	-	-	1,960,027
Loans receivable	-	-	-	-	-	-	-	-	-	-	6,503
<b>Total assets</b>	<b>\$ 699,237</b>	<b>\$ 21,646</b>	<b>\$ 4,575,355</b>	<b>\$ 3,139,053</b>	<b>\$ 477,481</b>	<b>\$ 6,076,685</b>	<b>\$ 2,818,756</b>	<b>\$ 359,218</b>	<b>\$ 152,248</b>	<b>\$ 4,455,137</b>	<b>\$ 48,815,204</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>											
<b>Liabilities</b>											
Accounts payable	\$ 140	\$ (5,893)	\$ 1,002,353	\$ (456)	\$ 139	\$ (3,833)	\$ 2,255	\$ 139	\$ 139	\$ 140	\$ 1,155,804
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	45,261
Deposits	-	-	-	-	-	-	-	-	-	-	338,704
Due to other funds	-	40,280	-	-	-	-	-	-	-	-	493,184
Unearned revenues	-	-	-	-	-	-	-	-	-	-	1,960,177
<b>Total liabilities</b>	<b>140</b>	<b>34,387</b>	<b>1,002,353</b>	<b>(456)</b>	<b>139</b>	<b>(3,833)</b>	<b>2,255</b>	<b>139</b>	<b>139</b>	<b>140</b>	<b>3,993,130</b>
<b>Deferred Inflows of Resources</b>											
Unearned revenues	342,990	-	2,892,976	2,933,446	460,470	4,575,855	2,777,120	169,999	121,086	3,706,575	22,364,352
Unavailable revenues	-	-	-	-	-	72,992	-	-	-	-	1,768,696
<b>Total deferred inflows of resources</b>	<b>342,990</b>	<b>-</b>	<b>2,892,976</b>	<b>2,933,446</b>	<b>460,470</b>	<b>4,648,847</b>	<b>2,777,120</b>	<b>169,999</b>	<b>121,086</b>	<b>3,706,575</b>	<b>24,133,048</b>
<b>Fund Balances (Deficit)</b>											
Restricted	356,107	-	680,026	206,063	16,872	1,431,671	39,381	189,080	31,023	748,422	20,093,846
Committed	-	-	-	-	-	-	-	-	-	-	607,921
Unassigned (deficit)	-	(12,741)	-	-	-	-	-	-	-	-	(12,741)
<b>Total fund balances (deficit)</b>	<b>356,107</b>	<b>(12,741)</b>	<b>680,026</b>	<b>206,063</b>	<b>16,872</b>	<b>1,431,671</b>	<b>39,381</b>	<b>189,080</b>	<b>31,023</b>	<b>748,422</b>	<b>20,689,026</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 699,237</b>	<b>\$ 21,646</b>	<b>\$ 4,575,355</b>	<b>\$ 3,139,053</b>	<b>\$ 477,481</b>	<b>\$ 6,076,685</b>	<b>\$ 2,818,756</b>	<b>\$ 359,218</b>	<b>\$ 152,248</b>	<b>\$ 4,455,137</b>	<b>\$ 48,815,204</b>

**City of Oak Creek**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2023

	Special Revenue Funds											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	Consolidated Dispatch Services Fund			Tourism Commission Fund
<b>Revenues</b>														
Taxes	\$ 1,369,553	\$ -	\$ -	\$ -	\$ -	\$ 81,392	\$ -	\$ -	\$ -	\$ -	\$ 1,707,861	\$ 454,440	\$ -	
Intergovernmental	94,430	645,571	-	-	-	-	-	-	-	-	306,616	-	1,143,976	
Public charges for service	8,248	-	-	-	-	-	477,856	-	1,134,128	-	-	-	16,550	
Special assessments / developer contributions	-	-	-	-	41,408	-	-	-	-	-	-	-	-	
Investment income	47,002	124,368	51,402	-	2,668	76,388	-	391,896	327	112,355	40,430	15,083	162,601	
Miscellaneous	-	152,126	2,250,000	-	-	-	14,000	-	209,906	-	-	135,327	-	
<b>Total revenues</b>	<b>1,519,233</b>	<b>922,065</b>	<b>2,301,402</b>	<b>-</b>	<b>44,076</b>	<b>157,780</b>	<b>14,000</b>	<b>869,752</b>	<b>210,233</b>	<b>1,246,483</b>	<b>2,054,907</b>	<b>604,850</b>	<b>16,550</b>	<b>1,306,577</b>
<b>Expenditures</b>														
Current:														
General government	-	125,480	-	-	-	-	-	-	-	-	-	382,584	-	
Public safety	-	77,875	1,266,068	-	-	-	-	83,852	-	-	-	-	-	
Public works	1,522,565	-	-	-	-	-	-	-	641,380	-	-	-	-	
Health and social services	-	600,410	-	-	-	-	-	-	-	2,077,783	-	-	-	
Leisure activities	-	62,845	-	-	-	-	-	-	-	-	-	-	-	
Conservation and development	-	-	-	-	-	77,374	-	-	-	-	-	-	-	
Capital outlay	-	-	-	-	-	4,320	-	-	-	-	-	-	-	
Debt service:	-	-	-	-	-	-	-	-	-	-	-	-	-	
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	29,824	-	-	-	-	
<b>Total expenditures</b>	<b>1,522,565</b>	<b>866,610</b>	<b>1,266,068</b>	<b>-</b>	<b>-</b>	<b>81,694</b>	<b>-</b>	<b>83,852</b>	<b>671,204</b>	<b>2,077,783</b>	<b>382,584</b>	<b>-</b>	<b>-</b>	
Excess (deficiency) of revenues over expenditures	(3,332)	55,455	1,035,334	-	44,076	76,086	14,000	869,752	126,381	575,279	(22,876)	222,266	16,550	1,306,577
<b>Other Financing Sources (Uses)</b>														
Debt issued	-	-	-	-	-	-	-	-	1,250,000	-	-	-	-	
Premium on debt issue	-	-	-	-	-	-	-	-	87,472	-	-	-	-	
Sale of property	65,156	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers in	-	72,469	-	-	-	-	-	-	-	-	-	-	-	
Transfers out	-	-	(1,000,112)	-	-	-	(5,750)	(1,378,641)	-	(1,480,000)	-	(14,841)	-	
<b>Total other financing sources (uses)</b>	<b>65,156</b>	<b>72,469</b>	<b>(1,000,112)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,750)</b>	<b>(1,378,641)</b>	<b>-</b>	<b>(142,528)</b>	<b>-</b>	<b>(14,841)</b>	<b>-</b>	<b>(1,143,976)</b>
<b>Net change in fund balances</b>	<b>61,824</b>	<b>127,924</b>	<b>35,222</b>	<b>-</b>	<b>44,076</b>	<b>76,086</b>	<b>8,250</b>	<b>(508,889)</b>	<b>126,381</b>	<b>432,751</b>	<b>(22,876)</b>	<b>207,425</b>	<b>16,550</b>	<b>162,601</b>
<b>Fund Balances (Deficit), Beginning</b>	<b>315,147</b>	<b>2,334,766</b>	<b>230,511</b>	<b>7,825</b>	<b>2,780,133</b>	<b>1,749,275</b>	<b>(8,250)</b>	<b>7,318,495</b>	<b>90,615</b>	<b>676,450</b>	<b>253,826</b>	<b>363,811</b>	<b>64,737</b>	<b>58,456</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 376,971</b>	<b>\$ 2,462,690</b>	<b>\$ 265,733</b>	<b>\$ 7,825</b>	<b>\$ 2,824,209</b>	<b>\$ 1,825,361</b>	<b>\$ -</b>	<b>\$ 6,809,606</b>	<b>\$ 216,996</b>	<b>\$ 1,109,201</b>	<b>\$ 230,950</b>	<b>\$ 571,236</b>	<b>\$ 81,287</b>	<b>\$ 221,057</b>

**City of Oak Creek**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2023

	<b>Debt Service Fund</b>		<b>Capital Projects Funds</b>								<b>Total Nonmajor Governmental Funds</b>
	<b>TIF No. 6</b>	<b>Developer Agreements Fund</b>	<b>TIF No. 7 Capital Projects Fund</b>	<b>TIF No. 8 Capital Projects Fund</b>	<b>TIF No. 10 Capital Projects Fund</b>	<b>TIF No. 11 Capital Projects Fund</b>	<b>TIF No. 12 Capital Projects Fund</b>	<b>TIF No. 14 Capital Projects Fund</b>	<b>TIF No. 15 Capital Projects Fund</b>	<b>TIF No. 16 Capital Projects Fund</b>	
<b>Revenues</b>											
Taxes	\$ 323,532	\$ -	\$ 2,385,541	\$ 2,539,421	\$ 447,104	\$ 4,649,127	\$ 1,975,061	\$ 158,620	\$ 108,334	\$ 3,576,321	\$ 19,776,307
Intergovernmental	1,061	-	17,764	12,155	18,906	670	-	-	-	-	2,241,149
Public charges for service	-	-	-	-	-	-	-	-	-	-	1,636,782
Special assessments / developer contributions	-	2,552	-	-	-	-	-	-	-	-	43,960
Investment income	16,647	-	148,795	37,540	17,121	211,073	78,012	10,124	3,751	109,642	1,657,225
Miscellaneous	-	-	-	-	-	246,402	-	44,098	-	-	3,051,859
<b>Total revenues</b>	<b>341,240</b>	<b>2,552</b>	<b>2,552,100</b>	<b>2,589,116</b>	<b>483,131</b>	<b>5,107,272</b>	<b>2,053,073</b>	<b>212,842</b>	<b>112,085</b>	<b>3,685,963</b>	<b>28,407,282</b>
<b>Expenditures</b>											
Current:											
General government	-	-	-	-	-	-	-	-	-	-	508,064
Public safety	-	-	-	-	-	-	-	-	-	-	1,427,795
Public works	-	-	-	-	-	-	-	-	-	-	2,163,945
Health and social services	-	-	-	-	-	-	-	-	-	-	2,678,193
Leisure activities	-	-	-	-	-	-	-	-	-	-	62,845
Conservation and development	25,000	17,312	11,373	239,747	201,638	-	715,464	7,500	83,274	2,355,316	3,733,998
Capital outlay	-	-	-	-	-	143,995	31,579	-	-	25,000	204,894
Debt service:											
Principal	-	-	5,134,000	1,385,000	-	2,950,000	360,000	120,000	-	995,000	10,944,000
Interest	1,523	-	240,377	289,485	1,523	1,299,389	225,797	20,728	1,523	11,700	2,121,869
<b>Total expenditures</b>	<b>26,523</b>	<b>17,312</b>	<b>5,385,750</b>	<b>1,914,232</b>	<b>203,161</b>	<b>4,393,384</b>	<b>1,332,840</b>	<b>148,228</b>	<b>84,797</b>	<b>3,387,016</b>	<b>23,845,603</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>314,717</b>	<b>(14,760)</b>	<b>(2,833,650)</b>	<b>674,884</b>	<b>279,970</b>	<b>713,888</b>	<b>720,233</b>	<b>64,614</b>	<b>27,288</b>	<b>298,947</b>	<b>4,561,679</b>
<b>Other Financing Sources (Uses)</b>											
Debt proceeds	-	-	3,350,000	-	-	-	-	-	-	-	4,600,000
Premium on debt issue	-	-	-	-	-	-	-	-	-	-	87,472
Sale of property	-	-	-	-	-	-	-	-	-	-	65,156
Transfers in	-	-	-	-	-	-	-	-	-	-	72,469
Transfers out	-	-	-	(560,000)	(275,000)	(1,600,000)	(1,462,853)	-	-	(90,000)	(9,011,173)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>3,350,000</b>	<b>(560,000)</b>	<b>(275,000)</b>	<b>(1,600,000)</b>	<b>(1,462,853)</b>	<b>-</b>	<b>-</b>	<b>(90,000)</b>	<b>(4,186,076)</b>
<b>Net change in fund balances</b>	<b>314,717</b>	<b>(14,760)</b>	<b>516,350</b>	<b>114,884</b>	<b>4,970</b>	<b>(886,112)</b>	<b>(742,620)</b>	<b>64,614</b>	<b>27,288</b>	<b>208,947</b>	<b>375,603</b>
<b>Fund Balances (Deficit), Beginning</b>	<b>41,390</b>	<b>2,019</b>	<b>163,676</b>	<b>91,179</b>	<b>11,902</b>	<b>2,317,783</b>	<b>782,001</b>	<b>124,466</b>	<b>3,735</b>	<b>539,475</b>	<b>20,313,423</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 356,107</b>	<b>\$ (12,741)</b>	<b>\$ 680,026</b>	<b>\$ 206,063</b>	<b>\$ 16,872</b>	<b>\$ 1,431,671</b>	<b>\$ 39,381</b>	<b>\$ 189,080</b>	<b>\$ 31,023</b>	<b>\$ 748,422</b>	<b>\$ 20,689,026</b>