

CITY OF OAK CREEK

Oak Creek, Wisconsin

FINANCIAL STATEMENTS

December 31, 2004

CITY OF OAK CREEK

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Virchow Krause & company

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oak Creek, Wisconsin, as of and for the year ended December 31, 2004, which collectively comprise the city's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Oak Creek's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oak Creek, Wisconsin, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budget comparison information on pages iii through xii and 48 through 53 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Virchow, Krause & Company, LLP

Certified Public Accountants & Consultants • An Independent Member of Baker Tilly International

To the City Council
City of Oak Creek

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oak Creek's basic financial statements. The combining financial statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Viechow, Kraus + Company, LLP

Madison, Wisconsin
March 24, 2005

CITY OF OAK CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2004

The City of Oak Creek's (the City) discussion and analysis is designed to:

1. Assist the reader in focusing on significant financial issues.
2. Provide an overview of the City's financial activity.
3. Identify changes in the City's financial position.
4. Identify material deviations from the approved budget.
5. 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

Combined governmental and business-type activities net assets increased by 26.8% in 2004 to reach \$149.2 million. Of this amount, \$115.9 million represents the City's investment in capital assets, net of related debt, while \$6.9 million was held for restricted purposes, and \$26.3 million was unrestricted.

At the end of 2004, the City's governmental activities reported total net assets of \$67.2 million, including unrestricted net assets of \$16.4 million.

The City's general fund unreserved and undesignated fund balance decreased by \$0.4 million during 2004 to \$5.9 million. Expenditures of less than budgeted amounts and favorable results of revenues in excess of expenditures for 2004 resulted in a lower than planned reduction in the undesignated fund balance amount.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of four sections:

- 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 that present different views of the City:

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

CITY OF OAK CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2004

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

Fund financial statements that 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 that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, this financial report includes a section with combining statements that provide 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

Government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The first of these government-wide statements is the Statement of Net Assets. This is the citywide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the current 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 provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, health/social services, public works, and leisure. Business type activities include the City's water and sewer utilities. Fiduciary activities, such as tax collection, are not included in the government-wide statements since these assets are not available to fund City programs.

FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the City's significant funds. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

CITY OF OAK CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2004

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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 that provide 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 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

The City implemented the financial reporting model used in this report beginning with the fiscal year ending on December 31, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole.

NET ASSETS

The City's combined net assets increased by \$0.4 million from fiscal year 2003 to 2004, an increase of 0.2%; a government-activities increase of \$3.6 million was offset by a business-type activities decrease of \$3.2 million, primarily due to a transfer of assets from the business activity to another municipality. (See Table 1) The City's governmental and business-type activities each represent about 50% of the combined assets.

CITY OF OAK CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2004

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

NET ASSETS (cont.)

Total net assets of the City's governmental activities increased to \$67.2 million, an increase over 2003 of over 100%; this is due to a restatement of net assets for 2004 that includes \$31.0 million of retroactively reported infrastructure inventory for streets, sidewalks and right-of-way. Restricted net assets of \$50.9 million, (restricted to the purposes they can be used for or invested in capital assets such as buildings, roads, equipment, etc.), represent 75.7% of the total. Unrestricted net assets of \$16.4 million represent the remaining 24.4% of the total.

Total net assets of the City's business-type activities decreased by 3.7% to \$81.9 million, including unrestricted assets of \$10.0 million, representing 12.2% of the total. The decrease was due to a transfer of assets to another municipality as described in the footnotes. All government and business type activities are self-supporting entities; net assets of one entity are not permanently used by other entities.

Table 1
City of Oak Creek, Wisconsin
2004 and 2003 Net Assets (in millions of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 46.5	\$ 43.6	\$ 12.9	\$ 11.7	\$ 59.4	\$ 55.2
Capital assets	59.6	27.7	87.5	92.9	147.0	120.7
Total Assets	<u>106.1</u>	<u>71.3</u>	<u>100.4</u>	<u>104.6</u>	<u>206.5</u>	<u>175.9</u>
Long-term debt outstanding	17.9	18.3	17.7	18.7	35.5	37.0
Other liabilities	21.0	20.4	0.8	0.8	21.8	21.2
Total Liabilities	<u>38.9</u>	<u>38.7</u>	<u>18.5</u>	<u>19.5</u>	<u>57.4</u>	<u>58.1</u>
Net Assets						
Invested in capital assets net of related debt	45.1	12.5	70.9	75.3	115.9	87.8
Restricted	5.8	4.9	1.1	1.1	6.9	6.0
Unrestricted	<u>16.4</u>	<u>15.2</u>	<u>10.0</u>	<u>8.7</u>	<u>26.3</u>	<u>23.9</u>
TOTAL NET ASSETS – End of Year	<u>67.2</u>	<u>32.6</u>	<u>81.9</u>	<u>85.1</u>	<u>149.2</u>	<u>117.7</u>
Net Assets – Beginning of Year (restated in 2004 to include retroactive reporting of infrastructure)	<u>63.6</u>	<u>28.4</u>	<u>85.1</u>	<u>83.2</u>	<u>148.8</u>	<u>111.7</u>
CHANGE IN NET ASSETS	<u>\$ 3.6</u>	<u>\$ 4.2</u>	<u>\$ (3.2)</u>	<u>\$ 1.9</u>	<u>\$ 0.4</u>	<u>\$ 6.1</u>
Percent Change in Net Assets	<u>5.7%</u>	<u>14.8%</u>	<u>(3.8%)</u>	<u>2.3%</u>	<u>0.2%</u>	<u>5.5%</u>

Note: Figures may not total due to rounding.

CITY OF OAK CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2004

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

CHANGE IN COMBINED NET ASSETS

The City had combined total revenues of \$38.6 million in 2004 and combined total expenses of \$36.1 million. After transfers, government activities had a net surplus of \$3.6 million, while business activities had a net deficit of \$3.2 million, again primarily due to a transfer of assets to another municipality. Table 2 and the following narrative consider the operations of governmental and business-type activities separately.

Table 2
City of Oak Creek, Wisconsin
2004 and 2003 Changes in Net Assets (in millions of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2004	2003	2004	2003	2004	2003
Revenues						
Program Revenues						
Charges for services	\$ 3.9	\$ 3.1	\$ 9.0	\$ 9.3	\$ 12.9	\$ 12.4
Operating grants and contributions	2.1	3.0	-	-	2.1	3.0
General Revenues						
Taxes	18.5	17.2	-	-	18.5	17.2
Intergovernmental	2.8	3.3	-	-	2.8	3.3
Other	0.8	1.6	0.5	0.2	1.3	1.8
Total Revenues	<u>28.1</u>	<u>28.2</u>	<u>9.5</u>	<u>9.5</u>	<u>37.6</u>	<u>37.7</u>
Expenses						
General government	4.9	4.5	-	-	4.9	4.5
Public safety	12.6	11.6	-	-	12.6	11.6
Health and social services	0.8	0.4	-	-	0.8	0.4
Public works	6.5	6.3	-	-	6.5	6.3
Leisure activities	1.8	1.7	-	-	1.8	1.7
Conservation and development	1.0	1.1	-	-	1.0	1.1
Interest and fiscal charges	0.7	0.8	-	-	0.7	0.8
Water	-	-	5.5	5.1	5.5	5.1
Sewer	-	-	2.5	2.5	2.5	2.5
Total Expenses	<u>28.3</u>	<u>26.4</u>	<u>8.0</u>	<u>7.6</u>	<u>36.3</u>	<u>34.0</u>
Excess (Deficiency) Before Transfers and Contributions	(0.2)	1.8	1.5	1.9	1.3	3.7
Capital contributions	2.7	1.3	3.3	1.1	6.0	2.4
Transfers	1.1	1.1	(1.1)	(1.1)	-	-
Extraordinary item	-	-	(6.9)	-	(6.9)	-
Change in Net Assets	<u>3.6</u>	<u>4.2</u>	<u>(3.2)</u>	<u>1.9</u>	<u>0.4</u>	<u>6.1</u>
Beginning Net Assets (as restated)	<u>63.6</u>	<u>28.4</u>	<u>85.1</u>	<u>83.2</u>	<u>148.7</u>	<u>111.6</u>
Ending Net Assets	<u>\$ 67.2</u>	<u>\$ 32.6</u>	<u>\$ 81.9</u>	<u>\$ 85.1</u>	<u>\$ 149.2</u>	<u>\$ 117.7</u>

Note: Figures may not total due to rounding.

CITY OF OAK CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2004

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

GOVERNMENTAL ACTIVITIES

The City of Oak Creek received a total of \$28.3 million in governmental activity combined revenues in 2004. As Table 2 indicates, the largest revenue source is the property tax, which accounts for \$18.5 million, or 65.8%, of governmental activity revenues. Intergovernmental aid was \$2.8 million, or 10.0%. Public charges for service and compliance and regulation fees were \$3.9 million or 13.9%, and operating grants and contributions amounted to \$2.1 million, or 7.5%. Investment income, interfund charges and miscellaneous revenues account for the remaining \$.8 million, or 2.8%.

Total governmental activities expenses were \$28.5 million in 2004, exceeding revenues by \$0.2 million. Public safety, including police, EMS, inspection and fire services, accounts for the largest share of City expenses at 44.2%. This is followed by the general government group of activities with 17.2%; public works with 22.8%; leisure activities with 6.3%, conservation and development with 3.5%; and health/social services at 2.8%. Interest and fiscal charges accounted for 2.5% of total governmental activity expenses.

BUSINESS-TYPE ACTIVITIES

The City of Oak Creek received \$9.5 million in business-type activities revenue during 2004 from its water and sewer utilities. Charges for services are by far the largest revenue sources for these operations, representing 97.9% of non-capital contribution revenues. Interest income accounts for the balance of revenues of 2.1%.

Net assets of Oak Creek's water & sewer utilities decreased by \$3.2 million in 2004, which represents a 3.8% decrease over the prior year. This decrease is due to the transfer of assets of \$6.9 million to another municipality, without which the net assets would have shown an increase of 4.3%.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information regarding near-term inflows, outflows, and spendable resources. Such information can be useful in addressing the City's financing requirements. In particular, the level of unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of 2004, the combined fund balance for the City's governmental funds was \$22.5 million. Of this total, \$3.8 million is reserved for specific legal requirements and commitments.

CITY OF OAK CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2004

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)

GOVERNMENTAL FUNDS (cont.)

The balance of unreserved government fund balances is \$18.8 million. These funds are allocated across the following areas:

Unreserved Governmental Fund Balances:

General Fund	\$	7.7
Special Revenue Funds		5.0
Debt Service Funds		0.1
Capital Project Funds		<u>6.0</u>
Total	\$	<u>18.8</u>

General Fund

The general fund is the primary operating fund of the City.

- Total fund balance as of December 31, 2004 was \$8.9 million, of which \$1.1 million was reserved. Included in the reserved amount are tax equivalent dollars to be paid by the utility in 2004, and minor amounts for delinquent personal property taxes and inventories.
- Designated fund balance increased from \$1.4 million to \$1.9 million, primarily because of a planned reduction of \$1.7 million, allocated to offset the 2005 property tax levy.
- Undesignated fund balance decreased by \$0.3 million to \$5.9 million; the amount of this reduction is well below the planned budgeted reduction of \$1.2 million which was allocated to offset the 2004 tax levy. The undesignated fund balance is now approximately 35.3% of general fund revenues; this is well above the City's policy target range of 10-20% for the purposes of cash flow, stabilization, and emergency reserves.

Special Revenue Funds

The special revenue funds serve to account for specialized areas of government operations, which include activities such as solid waste collection, storm water management, and administering escrow and donation accounts.

- Total fund balance for all special revenue funds as of December 31, 2004, increased from \$3.8 million to \$4.6 million.
- Total revenues for 2004 were \$3.2 million, which included \$0.8 million from taxes and \$0.5 million from impact fees.
- Total expenditures for the year were \$1.7 million.

CITY OF OAK CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2004

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)

GOVERNMENTAL FUNDS (cont.)

Debt Service Funds

The general debt service fund is primarily used to account for general obligation debt that is supported by property tax revenues.

- At the end of 2004, there was a total fund balance of just over \$2.5 million, an increase of \$0.5 million over 2003. The Police Station Debt Service fund, representing the only non-TIF related debt, had an ending fund balance of \$0.9 million. All TIF districts (2, 3, 4, 5 and 6) had a combined positive reserved fund balance of \$1.3 million at year end.
- During 2004 this fund had total revenues of \$1.3 million, primarily from tax collections.
- Total expenditures were \$1.4 million for the year, for regular principal and interest payments.

Capital Improvements Fund

The general capital improvements fund is used to account for major capital improvement projects relating to City-owned capital assets and capital equipment.

- Total fund balance at the end of the year was \$6.1 million.
- Revenue sources provided \$4.0 million, with the majority of funds coming from the property tax levy.
- Expenditures in this fund totaled \$4.4 million in 2004. The largest expenses were for major paving projects and capital equipment purchases.

GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund budget is adopted at the department level of expenditure. No budget amendments were made in 2004. The City ended the year with favorable variances in both general fund revenues and expenditures. Revenues exceeded budget by \$0.6 million while expenditures were \$0.8 million below budget. These outcomes reflect the City's conservative approach to budgeting as well as positive revenue earnings due to the City's continuing growth.

On the revenue side, conservative budgeting kept all categories quite close to budget, with a positive result in all categories except taxes. The Regulation and Compliance category revenues were higher than expected, primarily because the local construction market remains strong. A moderate investment income increase was seen, in spite of the relatively low rates of return offered throughout the country in 2004, and continued diligent collection efforts resulted in an increase in tax delinquency receipts.

CITY OF OAK CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2004

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

Expenditure results were also favorable. Expenditures exceeded a department budget in only the attorney and legal category, primarily due to the City's legal efforts to ensure that any effects of construction of a new power plant in the community would be mitigated; most of the overrun in the category will be reimbursed by the energy company in 2005. Unfilled vacancies resulted in personnel savings across several departments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

In accordance with the implementation requirements of GASB No. 34, the City has recorded estimated historical costs and depreciation for all of its capital assets with the exceptions of street lighting and storm water related infrastructure. For 2004, the City has elected to only report current additions of street lighting and storm water related infrastructure and to delay the retroactive reporting as permitted by GASB No. 34.

As of December 31, 2004, the City reported a combined investment in capital assets of \$115.9 million. Of this amount, \$45.1million, or 38.9%, is attributable to governmental activities, with the assets related to the City's land, buildings, equipment and street network. Total accumulated depreciation for both governmental and business type activities was calculated at \$33 million. Net of accumulated depreciation, the City's total other capital assets was \$89.6 million. A schedule of capital asset activity can be found in Note IV.D. (pages 30-32).

LONG-TERM DEBT

At yearend, the City had \$15.9 million in general obligation bonds, capital appreciation bonds and bond anticipation notes, a decrease of \$0.7 million or (4.3%) under last year. At the end of 2004, the business-type activities had a total of \$17.6 million in outstanding revenue bonds and general obligation debt. That amount is a decrease of \$1.1 million, or (5.9%) under the prior year.

The City's general obligation bonds are rated Aa3 by Moody's Investors Service. Revenue bonds of the water & sewer utilities are rated A1.

State law limits the City to issuing general obligation bonds totaling no more than 5% of the City's equalized value. Based on 2004 equalized value of \$2.4 billion, this limit is \$120.0 million. The city currently has \$15.7 million of general obligation notes and bonds outstanding representing approximately 12.7% of legal debt capacity. Of the total amount outstanding, \$4.4 million, or 28.0% is TIF-related debt and is expected to be repaid from TIF increments. A schedule of long-term debt activity can be found in Note IV.F. (pages 34-38).

CITY OF OAK CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2004

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

LONG-TERM DEBT (cont.)

Table 3
City of Oak Creek, Wisconsin
2004 and 2003 Outstanding Debt (in millions of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2004	2003	2004	2003	2004	2003
General obligation debt	\$ 12.0	\$ 15.1	\$ 1.3	\$ 1.4	\$ 13.3	\$ 16.5
Bond anticipation notes	1.5	1.5	-	-	1.5	1.5
Capital appreciation notes	2.4	-	-	-	2.4	-
Revenue debt	-	-	16.4	17.3	16.4	17.3
Totals	<u>\$ 15.9</u>	<u>\$ 16.6</u>	<u>\$ 17.7</u>	<u>\$ 18.7</u>	<u>\$ 33.6</u>	<u>\$ 35.3</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Oak Creek is located in southeastern Milwaukee County, and is one of only two county municipalities 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 remains relatively strong. The property tax base also remains very healthy, posting a 14.3% growth of \$300.0 million in equalized property value for 2004. Current building permit data indicate that construction is continuing at a strong pace for 2005, as it has for the past several years.

The Oak Creek City Council adopted the 2005 budget in December of 2004, which authorized general fund expenditures of \$19.3 million. The combined general fund and debt service property tax levy is \$17.0 million, an increase of 3% over the prior year. The mill rate for City services decreased, due primarily to the citywide revaluation in effect for 2004, but the levy remained essentially at the same level as the past four years, with the increase limited to only the amount generated by new growth. Current projections indicate that the City will end 2005 with a positive variance between revenues and expenditures.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact the City of Oak Creek, 8640 S. Howell Ave., Oak Creek, WI 53154.

CITY OF OAK CREEK

STATEMENT OF NET ASSETS

December 31, 2004

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Cash and investments	\$ 22,219,999	\$ 7,668,840	\$ 29,888,839
Taxes receivable	18,864,010	-	18,864,010
Delinquent personal property taxes receivable	9,937	-	9,937
Accounts receivable	950,227	2,083,697	3,033,924
Special assessments receivable	1,730,139	-	1,730,139
Loans receivable	72,551	-	72,551
Leases receivable	-	227,096	227,096
Notes receivable	-	279,530	279,530
Other assets	-	237,734	237,734
Internal balances	(342,274)	342,274	-
Prepaid items and inventories	104,662	55,726	160,388
Restricted cash and investments	2,893,958	2,049,406	4,943,364
Capital Assets			
Land	15,757,676	131,589	15,889,265
Construction in progress	2,178,238	39,379,841	41,558,079
Other capital assets, net of depreciation	41,686,284	47,945,075	89,631,359
Total Assets	106,125,407	100,400,808	206,526,215
LIABILITIES			
Accounts payable and accrued liabilities	1,655,720	789,985	2,445,705
Deposits	1,011,570	-	1,011,570
Unearned revenue	18,356,662	30,540	18,387,202
Noncurrent Liabilities			
Due within one year	1,951,865	1,033,236	2,985,101
Due in more than one year	15,900,342	16,628,478	32,528,820
Total Liabilities	38,876,159	18,482,239	57,358,398
NET ASSETS			
Invested in capital assets, net of related debt	45,062,675	70,855,288	115,917,963
Restricted per bond ordinances	-	1,103,908	1,103,908
Restricted for debt service	2,410,956	-	2,410,956
Restricted for impact fees	3,288,805	-	3,288,805
Restricted for grants	104,519	-	104,519
Restricted for asset forfeitures	10,617	-	10,617
Unrestricted	16,371,676	9,959,373	26,331,049
TOTAL NET ASSETS	\$ 67,249,248	\$ 81,918,569	\$ 149,167,817

See accompanying notes to financial statements.

CITY OF OAK CREEK

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2004

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental Activities							
General government	\$ 4,929,002	\$ 644,428	\$ 12,039	\$ -	\$ (4,272,535)	\$ -	\$ (4,272,535)
Public safety	12,620,651	1,935,760	219,259	-	(10,465,632)	-	(10,465,632)
Health and social services	797,910	42,827	37,146	-	(717,937)	-	(717,937)
Public works	6,537,269	1,076,011	1,598,535	2,111,239	(1,751,484)	-	(1,751,484)
Leisure activities	1,759,495	161,375	-	7,977	(1,590,143)	-	(1,590,143)
Conservation and development	961,738	-	240,185	544,573	(176,980)	-	(176,980)
Interest and fiscal charges	691,826	-	-	-	(691,826)	-	(691,826)
Total Governmental Activities	<u>28,297,891</u>	<u>3,860,401</u>	<u>2,107,164</u>	<u>2,663,789</u>	<u>(19,666,537)</u>	<u>-</u>	<u>(19,666,537)</u>
Business-Type Activities							
Water utility	5,459,022	6,705,355	-	2,204,313	-	3,450,646	3,450,646
Sewer utility	2,484,522	2,276,475	-	1,096,872	-	888,825	888,825
Total Business-Type Activities	<u>7,943,544</u>	<u>8,981,830</u>	<u>-</u>	<u>3,301,185</u>	<u>-</u>	<u>4,339,471</u>	<u>4,339,471</u>
Total	<u>\$ 36,241,435</u>	<u>\$ 12,842,231</u>	<u>\$ 2,107,164</u>	<u>\$ 5,964,974</u>	<u>(19,666,537)</u>	<u>4,339,471</u>	<u>(15,327,066)</u>
General Revenues							
Taxes							
Property taxes, levied for general purposes					15,874,967	-	15,874,967
Property taxes, levied for debt service					500,000	-	500,000
Property taxes, tax incremental districts					854,536	-	854,536
Other taxes					1,346,607	-	1,346,607
Intergovernmental revenues not restricted to specific programs					2,794,864	-	2,794,864
Investment income					572,451	203,170	775,621
Miscellaneous					286,573	256,541	543,114
Extraordinary item					-	(6,947,119)	(6,947,119)
Transfers					1,076,186	(1,076,186)	-
Total General Revenues, Extraordinary Item and Transfers					<u>23,306,184</u>	<u>(7,563,594)</u>	<u>15,742,590</u>
Change in Net Assets					3,639,647	(3,224,123)	415,524
NET ASSETS - Beginning (as restated)					<u>63,609,601</u>	<u>85,142,692</u>	<u>148,752,293</u>
NET ASSETS - ENDING					<u>\$ 67,249,248</u>	<u>\$ 81,918,569</u>	<u>\$ 149,167,817</u>

See accompanying notes to financial statements.

CITY OF OAK CREEK

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2004

	General	Paramedic Rescue Fund	Capital Improvement Fund	Other Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 8,192,900	\$ 364,753	\$ 6,060,610	\$ 5,515,345	\$ 20,133,608
Receivables					
Taxes	9,370,122	2,890,000	3,490,385	3,113,503	18,864,010
Delinquent personal property taxes	9,937	-	-	-	9,937
Accounts	245,638	180,563	236,752	156,672	819,625
Special assessments	-	-	-	1,730,139	1,730,139
Loans	-	-	-	72,551	72,551
Due from other funds	1,065,196	-	-	-	1,065,196
Inventories	50,258	-	-	-	50,258
Restricted cash and investments	-	-	-	2,893,958	2,893,958
Advances to other funds	-	-	-	150,000	150,000
TOTAL ASSETS	\$ 18,934,051	\$ 3,435,316	\$ 9,787,747	\$ 13,632,168	\$ 45,789,282
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 175,186	\$ 23,930	\$ 227,732	\$ 71,577	\$ 498,425
Accrued liabilities	508,465	83,994	-	20,747	613,206
Deposits	114,175	-	-	897,395	1,011,570
Due to other funds	92,993	-	-	1,223,800	1,316,793
Deferred revenues	9,167,878	2,890,000	3,490,385	3,045,473	18,593,736
Deferred revenues - special assessments	-	-	-	1,083,003	1,083,003
Advances from other funds	-	-	-	150,000	150,000
Total Liabilities	<u>10,058,697</u>	<u>2,997,924</u>	<u>3,718,117</u>	<u>6,491,995</u>	<u>23,266,733</u>
Fund Balances					
Reserved	1,136,381	-	114,583	2,512,220	3,763,184
Unreserved Reported in					
General fund designated	1,867,848	-	-	-	1,867,848
General fund undesignated	5,871,125	-	-	-	5,871,125
Special revenue funds undesignated	-	437,392	-	4,597,199	5,034,591
Debt service funds	-	-	-	16,881	16,881
Capital projects funds	-	-	5,955,047	13,873	5,968,920
Total Fund Balances	<u>8,875,354</u>	<u>437,392</u>	<u>6,069,630</u>	<u>7,140,173</u>	<u>22,522,549</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,934,051	\$ 3,435,316	\$ 9,787,747	\$ 13,632,168	

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. 59,622,198

Some receivables that are not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See note II.A. 1,320,077

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 is included in government activities in the statement of net assets. 1,866,588

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See note II.A. (18,082,164)

NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 67,249,248**

CITY OF OAK CREEK

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2004

	General	Paramedic Rescue Fund	Capital Improvement Fund	Other Governmental Funds	Totals
REVENUES					
Taxes	\$ 9,396,538	\$ 2,890,000	\$ 3,290,385	\$ 2,018,690	\$ 17,595,613
Intergovernmental	4,529,013	-	347,877	152,625	5,029,515
Regulation and compliance	1,558,418	-	-	-	1,558,418
Public charges for services	371,437	750,873	3,970	615,247	1,741,527
Special assessments/developer contributions	-	-	291,042	1,054,331	1,345,373
Investment income	338,855	14,544	80,094	135,710	569,203
Miscellaneous	88,618	-	-	722,253	810,871
Interfund charges for services	362,359	-	-	-	362,359
Total Revenues	<u>16,645,238</u>	<u>3,655,417</u>	<u>4,013,368</u>	<u>4,698,856</u>	<u>29,012,879</u>
EXPENDITURES					
Current					
General government	4,391,712	-	-	-	4,391,712
Public safety	8,505,381	3,555,033	-	91,538	12,151,952
Health and social services	442,517	-	-	-	442,517
Public works	2,844,685	-	-	1,396,606	4,241,291
Leisure activities	1,501,099	-	-	82,227	1,583,326
Conservation and development	-	-	412,539	153,761	566,300
Capital Outlay	-	-	4,008,830	287,438	4,296,268
Debt Service					
Principal retirement	-	-	-	800,000	800,000
Interest and fiscal charges	-	-	-	627,783	627,783
Total Expenditures	<u>17,685,394</u>	<u>3,555,033</u>	<u>4,421,369</u>	<u>3,439,353</u>	<u>29,101,149</u>
Excess (deficiency) of revenues over expenditures	<u>(1,040,156)</u>	<u>100,384</u>	<u>(408,001)</u>	<u>1,259,503</u>	<u>(88,270)</u>
OTHER FINANCING SOURCES (USES)					
Capital lease	-	-	67,700	-	67,700
Sale of property	28,112	-	-	-	28,112
Transfers in	1,076,186	-	795,252	995,918	2,867,356
Transfers out	-	(239,864)	-	(1,551,306)	(1,791,170)
Total Other Financing Sources (Uses)	<u>1,104,298</u>	<u>(239,864)</u>	<u>862,952</u>	<u>(555,388)</u>	<u>1,171,998</u>
Net Change in Fund Balance	64,142	(139,480)	454,951	704,115	1,083,728
FUND BALANCES - Beginning of Year	<u>8,811,212</u>	<u>576,872</u>	<u>5,614,679</u>	<u>6,436,058</u>	<u>21,438,821</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,875,354</u>	<u>\$ 437,392</u>	<u>\$ 6,069,630</u>	<u>\$ 7,140,173</u>	<u>\$ 22,522,549</u>

See accompanying 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 For the Year Ended December 31, 2004

Net change in fund balances - total governmental funds	\$ 1,083,728
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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 assets 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	4,296,268
Some items capitalized were not reported as capital outlay	216,073
Some amounts reported as capital outlay were not capitalized	(2,335,600)
Depreciation is reported in the government-wide statements	(1,879,622)
Net book value of disposed assets	(77,431)
Capital contributions are reported in the government-wide statements	641,874

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

Special assessments	860,947
Loans	(37,890)

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

Capital lease	(67,700)
Principal repaid	800,000
Capital appreciation bond increase	(107,122)

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

382,528

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.

Compensated absences	(179,632)
Accrued interest on debt	43,226

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,639,647</u>
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See accompanying notes to financial statements.

CITY OF OAK CREEK

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2004

	Business-Type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Totals	Activities - Internal Service Fund
ASSETS				
Current Assets				
Cash and investments	\$ 5,140,892	\$ 2,527,948	\$ 7,668,840	\$ 2,086,391
Customer accounts receivable	1,270,382	503,124	1,773,506	-
Other accounts receivable	198,679	111,512	310,191	130,602
Due from other funds	-	192,915	192,915	-
Accrued interest	18,670	1,528	20,198	-
Lease receivable	15,115	-	15,115	-
Note receivable	14,673	-	14,673	-
Unamortized debt issue costs	23,706	1,767	25,473	-
Inventories	55,726	-	55,726	-
Prepayments	-	-	-	54,405
Restricted assets				
Revenue bond redemption account	<u>128,547</u>	<u>14,868</u>	<u>143,415</u>	<u>-</u>
Total Current Assets	<u>6,866,390</u>	<u>3,353,662</u>	<u>10,220,052</u>	<u>2,271,398</u>
Noncurrent Assets				
Restricted Assets				
Revenue bond reserve account	1,542,560	61,609	1,604,169	-
Revenue bond depreciation account	<u>201,259</u>	<u>100,563</u>	<u>301,822</u>	<u>-</u>
Total Restricted Assets	<u>1,743,819</u>	<u>162,172</u>	<u>1,905,991</u>	<u>-</u>
Capital Assets				
Land and land rights	118,444	13,145	131,589	-
Construction work in progress	706,598	38,673,243	39,379,841	-
Utility plant in service	70,822,119	22,513	70,844,632	-
Accumulated depreciation	<u>(15,608,289)</u>	<u>(7,291,268)</u>	<u>(22,899,557)</u>	<u>-</u>
Total Capital Assets	<u>56,038,872</u>	<u>31,417,633</u>	<u>87,456,505</u>	<u>-</u>
Other Assets				
Property held for future use	5,000	-	5,000	-
Lease receivable	211,981	-	211,981	-
Note receivable	264,857	-	264,857	-
Due from other funds - special assessments	416,811	230,326	647,137	-
Unamortized bond discount and expense	<u>181,367</u>	<u>5,696</u>	<u>187,063</u>	<u>-</u>
Total Other Assets	<u>1,080,016</u>	<u>236,022</u>	<u>1,316,038</u>	<u>-</u>
Total Assets	<u>65,729,097</u>	<u>35,169,489</u>	<u>100,898,586</u>	<u>2,271,398</u>

	Business-Type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Totals	Activities - Internal Service Fund
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 127,742	\$ 312,550	\$ 440,292	\$ 314,126
Accrued payroll	196,180	33,132	229,312	-
Accrued interest payable	-	49,883	49,883	-
Due to municipality	588,455	-	588,455	-
Deferred revenue	30,540	-	30,540	-
Compensated absences	4,578	-	4,578	-
General obligation debt	-	153,658	153,658	-
Liabilities Payable From Restricted Assets				
Current portion of revenue bonds	750,000	125,000	875,000	-
Accrued interest	66,047	4,451	70,498	-
Total Current Liabilities	1,763,542	678,674	2,442,216	314,126
Noncurrent Liabilities				
Accrued compensated absences	15,781	-	15,781	-
Revenue bonds	14,615,000	900,000	15,515,000	-
General obligation debt	-	1,097,697	1,097,697	-
Total Noncurrent Liabilities	14,630,781	1,997,697	16,628,478	-
Total Liabilities	16,394,323	2,676,371	19,070,694	314,126
NET ASSETS				
Invested in capital assets, net of related debt	41,644,938	29,210,350	70,855,288	-
Restricted	1,056,319	47,589	1,103,908	-
Unrestricted	6,633,517	3,235,179	9,868,696	1,957,272
TOTAL NET ASSETS	\$ 49,334,774	\$ 32,493,118	81,827,892	\$ 1,957,272
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			90,677	
Net Assets of Business-Type Activities			\$ 81,918,569	

See accompanying notes to financial statements.

CITY OF OAK CREEK

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS PROPRIETARY FUNDS

For the Year Ended December 31, 2004

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Totals	
OPERATING REVENUES	<u>\$ 6,705,355</u>	<u>\$ 2,276,475</u>	<u>\$ 8,981,830</u>	<u>\$ 4,486,049</u>
OPERATING EXPENSES				
Operation and maintenance	2,957,133	1,808,045	4,765,178	4,138,559
Depreciation	1,581,545	507,948	2,089,493	-
Taxes	78,706	43,560	122,266	-
Total Operating Expenses	<u>4,617,384</u>	<u>2,359,553</u>	<u>6,976,937</u>	<u>4,138,559</u>
Operating Income (Loss)	<u>2,087,971</u>	<u>(83,078)</u>	<u>2,004,893</u>	<u>347,490</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	163,754	39,416	203,170	43,287
Income from merchandising and jobbing	23,903	-	23,903	-
Rental income	-	220,400	220,400	-
Interest expense	(824,724)	(123,001)	(947,725)	-
Amortization expense	(25,163)	(1,968)	(27,131)	-
Miscellaneous revenue (expense)	12,239	-	12,239	-
Total Nonoperating Revenues (Expenses)	<u>(649,991)</u>	<u>134,847</u>	<u>(515,144)</u>	<u>43,287</u>
Income Before Contributions	1,437,980	51,769	1,489,749	390,777
Capital contributions	2,204,313	1,096,872	3,301,185	-
Transfers - tax equivalent	(1,062,876)	(13,310)	(1,076,186)	-
Extraordinary item	(6,947,119)	-	(6,947,119)	-
Change in Net Assets	(4,367,702)	1,135,331	(3,232,371)	390,777
NET ASSETS - Beginning of Year	<u>53,702,476</u>	<u>31,357,787</u>		<u>1,566,495</u>
NET ASSETS - END OF YEAR	<u>\$ 49,334,774</u>	<u>\$ 32,493,118</u>		<u>\$ 1,957,272</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>8,248</u>	
Change in Net Assets of Business-Type Activities			<u>\$ (3,224,123)</u>	

See accompanying notes to financial statements.

CITY OF OAK CREEK

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2004

	Business-Type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Totals	Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 6,579,630	\$ 2,235,254	\$ 8,814,884	\$ 4,375,484
Received from rents of water property	75,438	-	75,438	-
Received from nonoperating activities	19,366	-	19,366	-
Received from miscellaneous sources	39,652	(762)	38,890	-
Paid to Milwaukee Metro Sewerage District for sewer user charges	-	(1,127,521)	(1,127,521)	-
Paid to suppliers for goods and services	(1,775,998)	(454,853)	(2,230,851)	(4,131,765)
Paid to employees for services	(1,151,830)	(318,790)	(1,470,620)	-
Net Cash Flows From Operating Activities	<u>3,786,258</u>	<u>333,328</u>	<u>4,119,586</u>	<u>243,719</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to city for tax equivalent	<u>(1,131,531)</u>	<u>(12,100)</u>	<u>(1,143,631)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments purchased	(1,600,000)	(500,000)	(2,100,000)	-
Proceeds from sale of investments	250,000	750,000	1,000,000	-
Proceeds from equipment lease	11,181	-	11,181	-
Proceeds from promissory note	10,609	-	10,609	-
Proceeds from property rental	-	146,625	146,625	-
Investment income	<u>168,278</u>	<u>47,030</u>	<u>215,308</u>	<u>43,287</u>
Net Cash Flows From Investing Activities	<u>(1,159,932)</u>	<u>443,655</u>	<u>(716,277)</u>	<u>43,287</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(750,187)	(40,996)	(791,183)	-
Proceeds from sale of equipment	5,000	-	5,000	-
Cost of removal	(2,071)	-	(2,071)	-
Special assessment proceeds	136,872	68,302	205,174	-
Connection fees received	23,600	3,000	26,600	-
Debt retired	(750,000)	(271,158)	(1,021,158)	-
Interest paid	<u>(827,648)</u>	<u>(129,480)</u>	<u>(957,128)</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(2,164,434)</u>	<u>(370,332)</u>	<u>(2,534,766)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(669,639)	394,551	(275,088)	287,006
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>5,348,029</u>	<u>2,063,250</u>	<u>7,411,279</u>	<u>1,799,385</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,678,390</u>	<u>\$ 2,457,801</u>	<u>\$ 7,136,191</u>	<u>\$ 2,086,391</u>

	Business-Type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Totals	Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 2,087,971	\$ (83,078)	\$ 2,004,893	\$ 347,490
Nonoperating income	36,142	-	36,142	-
Adjustments to Reconcile Operating Income to Net Cash Provided From Operating Activities				
Noncash items included in income				
Gain on sale of equipment	(2,619)	-	(2,619)	-
Depreciation	1,581,545	507,948	2,089,493	-
Depreciation charged to other accounts	86,598	(52,912)	33,686	-
Changes in Noncash Components of Working Capital				
Customer accounts receivable	10,930	(38,062)	(27,132)	-
Other accounts receivable	35,974	(8,298)	27,676	(110,565)
Due from other funds	-	2,125	2,125	-
Inventories	(2,929)	-	(2,929)	-
Prepayments	-	-	-	(29,311)
Accounts payable and accrued liabilities	(29,811)	4,734	(25,077)	36,105
Accrued expenses	15,677	871	16,548	-
Due to other funds	(34,406)	-	(34,406)	-
Deferred revenue	1,186	-	1,186	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 3,786,258	\$ 333,328	\$ 4,119,586	\$ 243,719
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS				
Cash and investments	\$ 5,140,892	\$ 2,527,948	\$ 7,668,840	\$ 2,086,391
Restricted cash and investments - current	128,547	14,868	143,415	-
Restricted cash and investments - noncurrent	1,743,819	162,172	1,905,991	-
Non-cash equivalents	(2,334,868)	(247,187)	(2,582,055)	-
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,678,390	\$ 2,457,801	\$ 7,136,191	\$ 2,086,391
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Interest income earned on noncash equivalents	\$ 104,821	\$ 19,137	\$ 123,958	\$ -
Market value adjustment on investments	(15,132)	(2,813)	(17,945)	-
Cost of capital assets installed and/or financed by the City and developers	1,868,542	1,043,765	2,912,307	-
Cost of capital assets financed by assessment of benefits to property owners	312,171	50,107	362,278	-

See accompanying notes to financial statements.

CITY OF OAK CREEK

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
December 31, 2004

	Agency Fund
	<u> </u>
ASSETS	
Cash and investments	\$ 30,815,402
Property taxes receivable	<u>9,202,802</u>
TOTAL ASSETS	<u><u>\$ 40,018,204</u></u>
LIABILITIES	
Due to other taxing units	<u>\$ 40,018,204</u>
TOTAL LIABILITIES	<u><u>\$ 40,018,204</u></u>

See accompanying notes to financial statements.

CITY OF OAK CREEK

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CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Oak Creek, Wisconsin conform to generally accepted accounting principles as applicable to governmental units.

A. REPORTING ENTITY

This report includes all of the funds of the City of Oak Creek. The reporting entity for the city consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) 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 or incomplete. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. This report does not contain any component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net assets 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.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

Financial statements of the reporting entity 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, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

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.

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

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

The city reports the following major governmental funds:

- General Fund – accounts for the city's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- Paramedic Rescue Fund – Accounts for resources legally restricted to supporting expenditures for the paramedic rescue program.
- Capital Improvement Fund – accounts for proceeds from long-term borrowing and other resources to be used for capital improvement projects.

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

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The city reports the following non-major governmental and enterprise funds:

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

- Solid Waste Fund
- Donation and Activity Fund
- Low Income Loan Fund
- Park Escrow Fund
- Special Assessment Fund
- Economic Development Fund
- Developer Agreement Future Improvements Fund
- Impact Fee Escrow Fund
- Asset Forfeiture Fund
- Storm Water Fund

Debt Service Funds – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

- Debt Amortization Fund
- TIF No. 2 Debt Service Fund
- TIF No. 3 Debt Service Fund
- TIF No. 4 Debt Service Fund
- TIF No. 5 Debt Service Fund
- TIF No. 6 Debt Service Fund
- Police Station Debt Service Fund

Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

- Police Station Project Fund
- Developer Agreement Fund
- TIF No. 3 Capital Improvement Fund
- TIF No. 4 Capital Improvement Fund
- TIF No. 5 Capital Improvement Fund
- TIF No. 6 Capital Improvement Fund

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

In addition, the city reports the following fund types:

Internal service funds are used to account for 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

Agency funds are used to account for assets held by the city in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net assets 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 revenue. 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.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

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.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

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 revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled the resources and the amounts are available. Amounts owed to the city which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

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 deferred 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.

The city reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the city has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the city has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

***Fund Financial Statements* (cont.)**

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 enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. 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 utility funds are charges to customers for sales and services. 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.

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 and liabilities 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.

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. 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:

1. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
2. 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, or by the University of Wisconsin Hospitals and Clinics Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The local government investment pool.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

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 quoted market prices. 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, 2004, 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 IV.A. for further information.

2. 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 state and county governments 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 agency fund statement of net assets.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

2. Receivables (cont.)

Property tax calendar – 2004 tax roll:

Lien date and levy date	December 2004
Tax bills mailed	December 2004
Payment in full, or	January 31, 2005
First installment due (50%)	January 31, 2005
Second installment due (25%)	March 31, 2005
Third installment due (25%)	May 31, 2005
Personal property taxes in full	January 31, 2005
Tax sale – 2004 delinquent real estate taxes	October 2007

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 utilities because they have the right by law to place delinquent bills on the tax roll.

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 assets. 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 reserve 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.

It is the city’s policy to record deferred 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 designated fund balance in the fund financial statements.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

3. Inventories and Prepaid Items

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 and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction, 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.

4. 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 assets.

5. Capital Assets

Government –Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. 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 two years. 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 fair value at the date of donation.

Prior to January 2003, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but not required until January 1, 2007, when GASB 34 requires the city to retroactively report all major general infrastructure assets acquired since January 1, 1980. For the year ended December 31, 2004, the city has retroactively reported its roads and sidewalks major infrastructure networks acquired by its governmental fund types.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

5. Capital Assets (cont.)

Government –Wide Statements (cont.)

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. 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:

Buildings	30-50 Years
Land Improvements	20-30 Years
Machinery and Equipment	3-15 Years
Utility System	15-90 Years
Infrastructure	20-50 Years

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.

6. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue using the proportionate to stated interest method. This method results in amortization of decreasing amounts as bonds or notes are retired serially.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

7. *Compensated Absences*

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide, proprietary, and fiduciary 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 vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2004 are determined on the basis of current salary rates and include salary related payments.

8. *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 deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the balance sheet.

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:

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt (cont.)

<u>Name</u>	<u>Date</u>	<u>Original Principal Amount</u>	<u>Maturity</u>	<u>Principal Amount Outstanding at 12-31-04</u>
AAA Sales & Engineering	11/17/98	\$ 6,375,000	11/1/21	\$ 6,134,555
F & M Management Company	5/1/96	3,000,000	5/1/25	1,505,000
Fort Howard Steel	11/1/99	7,000,000	11/1/15	7,000,000
McAdams Graphics, Inc.	12/21/95	5,600,000	12/1/07	5,600,000
Neo-Brake Systems, Inc./Ballew LLC Project	5/1/99	1,230,000	5/1/19	717,914
Steelwind Industries, Inc.	7/7/98	3,800,000	7/1/18	2,540,349
Crown Prince Inc.	12/2/03	2,235,000	1/1/24	1,724,097
Wisconsin Electric Power Company	12/1/04	67,000,000	8/1/16	<u>67,000,000</u>
Total				<u>\$ 92,221,915</u>

9. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

10. Equity Classifications

Government-Wide Statements

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

10. Equity Classifications (cont.)

Government–Wide Statements (cont.)

- b. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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 equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled “designated”. The balance of unreserved fund balance is labeled “undesignated”, which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. Additional details of this reconciliation are as follows.

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

Special assessments	\$ 1,247,526
Loans receivable	<u>72,551</u>
Combined adjustment for deferred revenue	<u>\$ 1,320,077</u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS (cont.)

Long-term liabilities applicable to the city's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the statement of net assets.

Bonds and notes payable	\$ 15,938,421	
Compensated absences	1,848,127	
Accrued interest	229,957	
Leases payable	65,659	
Combined Adjustment for Long-Term Liabilities	\$ 18,082,164	

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

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

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Solid waste fund	\$ 1,124,530	\$ 1,149,049	\$ 24,519
TIF #3 debt service	112,465	248,274	135,809
Special assessment fund	430,000	463,594	33,594
Paramedic rescue	3,741,452	3,794,897	53,445

The city controls expenditures at the function 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, 2004

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

C. DEFICIT BALANCES

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

As of December 31, 2004, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF No. 4 Capital Improvements	\$ 111,812	Expenditures in excess of revenues

The T.I.F. district deficit is anticipated to be funded with future incremental taxes levied over the life of the district.

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The city's deposits and investments are categorized to give an indication of the level of custodial credit risk assumed by the entity at year end. Category 1 includes items that are insured or registered or which are collateralized by or evidenced by securities held by the city or its agent in the city's name. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the city's name, or uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the city's name. Category 3 includes uncollateralized deposits, and uninsured and unregistered investments, with securities held by the counterparty or its trust department or agent but not in the city's name.

	<u>Category</u>			<u>Totals</u>	<u>Carrying Amount/ Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Local and area banks	\$ 8,444,650	\$ -	\$ 14,917	\$ 8,459,567	\$ 9,983,834
US Government Securities	-	11,950,745	-	11,950,745	11,932,801
Sub-Totals	<u>\$ 8,444,650</u>	<u>\$ 11,950,745</u>	<u>\$ 14,917</u>	<u>\$ 20,410,312</u>	
Local government investment pool					43,673,052
MBIA mutual fund					56,293
Petty cash					<u>1,625</u>
Total Deposits and Investments					<u>\$ 65,647,605</u>
Per statement of net assets – cash and investments					\$ 29,888,839
Per statement of net assets – restricted cash and investments					4,943,364
Per statement of net assets – fiduciary funds					<u>30,815,402</u>
Total					<u>\$ 65,647,605</u>

The city had no significant type of investment during the year not included in the above schedule.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Deposits in each local and area bank are insured by the FDIC in the amount of \$100,000 for interest bearing accounts and \$100,000 for noninterest bearing accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing the amounts in Category 1 above.

Investments in the local government investment pool are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool except U.S. Government and agency securities. The bond provides unlimited coverage on principal losses, reduced by any FDIC and State of Wisconsin Guarantee Fund insurance.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and/or proceeds from borrowing may have resulted in temporary balances exceeding insured amounts by substantially higher amounts.

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 Bank One, Milwaukee.

B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor funds in the aggregate are as follows:

	General	Paramedic Rescue Fund	Capital Improvement Fund	Other Governmental Funds	Totals
Total net receivables	<u>\$ 9,625,697</u>	<u>\$ 3,070,563</u>	<u>\$ 3,727,137</u>	<u>\$ 5,072,865</u>	<u>\$ 21,496,262</u>
Amounts not expected to be collected within one year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,802,690</u>	<u>\$ 1,802,690</u>

Revenues of the city are reported net of uncollectible amounts. General accounts receivable have been adjusted for all known uncollectible accounts. No allowance is necessary at year-end.

Governmental funds report *deferred 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 *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes and special charges receivable	\$ -	\$ 18,356,662	\$ 18,356,662
Special assessments	1,247,526	-	1,247,526
Loan receivables	72,551	-	72,551
 Total Unearned Revenue for Governmental Funds	 \$ 1,320,077	 \$ 18,356,662	 \$ 19,676,739

C. 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.
- Depreciation – Used to report resources set aside to fund plant renewals and replacement or 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, 2004:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Redemption account	\$ -	\$ 143,415	\$ 143,415
Reserve account	-	1,604,169	1,604,169
Depreciation account	-	301,822	301,822
Impact fee account	2,883,341	-	2,883,341
Asset forfeiture account	10,617	-	10,617
 Totals	 \$ 2,893,958	 \$ 2,049,406	 \$ 4,943,364

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004 was as follows:

	(Restated) Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being Depreciated				
Land	\$ 15,382,147	\$ 392,935	\$ 17,406	\$ 15,757,676
Construction in progress	<u>1,442,377</u>	<u>735,861</u>	<u>-</u>	<u>2,178,238</u>
Total Capital Assets Not Being Depreciated	<u>\$ 16,824,524</u>	<u>\$ 1,128,796</u>	<u>\$ 17,406</u>	<u>\$ 17,935,914</u>
Capital assets being depreciated				
Land improvements	\$ 1,056,951	\$ -	\$ -	\$ 1,056,951
Buildings	14,136,497	-	-	14,136,497
Machinery and equipment	12,337,464	912,507	382,914	12,867,057
Roads	26,200,397	653,474	89,636	26,764,235
Sidewalks	2,991,675	121,803	27,621	3,085,857
Storm sewers	<u>1,142,679</u>	<u>-</u>	<u>-</u>	<u>1,142,679</u>
Total Capital Assets Being Depreciated	<u>57,865,663</u>	<u>1,687,784</u>	<u>500,171</u>	<u>59,053,276</u>
Less: Accumulated depreciation for				
Land improvements	253,201	35,284	-	288,485
Buildings	2,340,907	203,979	-	2,544,886
Machinery and equipment	5,777,850	1,161,520	322,889	6,616,481
Roads	6,029,087	384,788	89,636	6,324,239
Sidewalks	1,469,337	65,484	27,621	1,507,200
Storm sewers	<u>57,134</u>	<u>28,567</u>	<u>-</u>	<u>85,701</u>
Total Accumulated Depreciation	<u>15,927,516</u>	<u>1,879,622</u>	<u>440,146</u>	<u>17,366,992</u>
Capital Assets, Net of Depreciation	<u>\$ 41,938,147</u>	<u>\$ (191,838)</u>	<u>\$ 60,025</u>	<u>\$ 41,686,284</u>

The beginning balance was restated to pick up the land right of way and the road and sidewalks infrastructure in the amount of \$31,013,731.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 89,740
Public safety	626,874
Public works, which includes the depreciation of roads, sidewalks and storm sewers	923,140
Leisure activities	<u>239,868</u>

Total Governmental Activities Depreciation Expense \$ 1,879,622

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 118,444	\$ -	\$ -	\$ 118,444
Construction in progress	<u>1,066,615</u>	<u>1,060,980</u>	<u>1,420,997</u>	<u>706,598</u>
 Total Capital Assets Not Being Depreciated	 <u>1,185,059</u>	 <u>1,060,980</u>	 <u>1,420,997</u>	 <u>825,042</u>
Capital assets being depreciated				
Source of supply	6,105,425	648,656	-	6,754,081
Pumping	3,715,125	-	-	3,715,125
Treatment	11,626,573	57,720	13,510	11,670,783
Transmission and distribution	51,911,870	2,194,623	8,426,984	45,679,509
General	<u>2,902,149</u>	<u>122,513</u>	<u>22,041</u>	<u>3,002,621</u>
Total Capital Assets Being Depreciated	<u>76,261,142</u>	<u>3,023,512</u>	<u>8,462,535</u>	<u>70,822,119</u>
 Total Capital Assets	 <u>77,446,201</u>	 <u>4,084,492</u>	 <u>9,883,532</u>	 <u>71,647,161</u>
Less: Accumulated depreciation for				
Source of supply	885,291	112,520	-	997,811
Pumping	1,811,595	134,903	-	1,946,498
Treatment	3,150,674	395,700	13,510	3,532,864
Transmission and distribution	8,187,934	776,772	1,338,631	7,626,075
General	<u>1,276,454</u>	<u>248,248</u>	<u>19,661</u>	<u>1,505,041</u>
Total Accumulated Depreciation	<u>15,311,948</u>	<u>1,668,143</u>	<u>1,371,802</u>	<u>15,608,289</u>
 Net Water Plant	 <u>\$ 62,134,253</u>	 <u>\$ 2,416,349</u>	 <u>\$ 8,511,730</u>	 <u>\$ 56,038,872</u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated				
Land and land rights	\$ 13,145	\$ -	\$ -	\$ 13,145
Construction in progress	31,807	90,226	99,520	22,513
	44,952	90,226	99,520	35,658
Total Capital Assets Not Being Depreciated				
Capital assets being depreciated				
Collection system	36,939,927	1,043,765	121,229	37,862,463
Collection system pumping	323,995	21,154	-	345,149
General	448,156	17,475	-	465,631
	37,712,078	1,082,394	121,229	38,673,243
Total Capital Assets Being Depreciated				
Total Capital Assets	37,757,030	1,172,620	220,749	38,708,901
Less: Accumulated depreciation for				
Collection system	6,619,184	406,812	121,229	6,904,767
Collection system pumping	212,049	15,658	-	227,707
General	126,228	32,566	-	158,794
Total Accumulated Depreciation	6,957,461	455,036	121,229	7,291,268
Net Sewer Plant	\$ 30,799,569	\$ 717,584	\$ 99,520	\$ 31,417,633
Business-Type Capital Assets, Net of Depreciation	\$ 92,933,822	\$ 3,133,933	\$ 8,611,250	\$ 87,456,505

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$ 1,581,545
Sewer	507,948
Total Business-Type Activities Depreciation Expense	\$ 2,089,493

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

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	Developer agreement fund	\$ 138,582	\$ -
General fund	Water utility	926,614	-
Debt amortization fund	TIF No. 4 debt service fund	150,000	150,000
Sewer utility	General fund	92,993	-
Water utility	Special assessment fund	754,970	416,811
Sewer utility	Special assessment fund	<u>330,248</u>	230,326
Sub-Total – Fund financial statements		2,393,407	
Add: Internal service fund allocation		90,677	
Less: Fund eliminations		<u>(2,141,810)</u>	
Total – Government-Wide Statement of Net Assets		<u>\$ 342,274</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.

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Sewer utility	\$ 13,310	Tax equivalent
General fund	Water utility	1,062,876	Tax equivalent
TIF No. 3 debt service	TIF No. 3 capital improvement	91,120	Close out fund
TIF No. 4 capital improvement	TIF No. 4 debt service	174,009	Close out fund
TIF No. 5 debt service	TIF No. 5 capital improvement	23,734	Close out fund
TIF No. 6 debt service fund	TIF No. 6 capital improvement	115,008	Close out fund
Police debt service fund	Impact fee escrow fund	100,000	Debt service payments
Police debt service fund	Police capital improvement	492,047	Close out fund
Capital improvement fund	Special assessment fund	300,000	Purchase of capital assets
Capital improvement fund	Park escrow fund	96,244	Purchase of capital assets
Capital improvement fund	Impact fee escrow fund	23,143	Purchase of capital assets

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Capital improvement fund	Paramedic rescue fund	\$ 239,864	Purchase of capital assets
Capital improvement fund	Solid waste fund	<u>136,000</u>	Purchase of capital assets
Subtotal – Fund Financial Statements		2,867,355	
Less: Fund eliminations		<u>(1,791,169)</u>	
Total – Government-Wide Statement of Net Assets		<u><u>\$ 1,076,186</u></u>	

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.

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2004 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable:					
General obligation debt:					
Notes and bonds	\$ 12,870,000	\$ -	\$ 800,000	\$ 12,070,000	\$ 835,000
Capital appreciation bonds	2,261,299	107,122	-	2,368,421	-
Bond anticipation notes	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>
Sub-Total	<u>16,631,299</u>	<u>107,122</u>	<u>800,000</u>	<u>15,938,421</u>	<u>835,000</u>
Other Liabilities					
Vested compensated absences	1,668,495	1,221,252	1,041,620	1,848,127	1,104,323
Capital lease payable	<u>-</u>	<u>67,700</u>	<u>2,041</u>	<u>65,659</u>	<u>12,542</u>
Total Other Liabilities	<u>1,668,495</u>	<u>1,288,952</u>	<u>1,043,661</u>	<u>1,913,786</u>	<u>1,116,865</u>
Total Governmental Activities Long-Term Liabilities	<u><u>\$ 18,299,794</u></u>	<u><u>\$ 1,396,074</u></u>	<u><u>\$ 1,843,661</u></u>	<u><u>\$ 17,852,207</u></u>	<u><u>\$ 1,951,865</u></u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable:					
General obligation debt	\$ 1,397,513	\$ -	\$ 146,158	\$ 1,251,355	\$ 153,658
Revenue bonds	17,265,000	-	875,000	16,390,000	875,000
Sub-Total	18,662,513	-	1,021,158	17,641,355	1,028,658
Other Liabilities					
Vested compensated absences	17,494	9,986	7,121	20,359	4,578
Total Business-Type Activities					
Long-Term Liabilities	\$ 18,680,007	\$ 9,986	\$ 1,028,279	\$ 17,661,714	\$ 1,033,236

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, 2004, was \$123,478,625. Total general obligation debt outstanding at year end was \$15,689,776.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-04
Governmental Activities General Obligation Debt					
G.O. notes and bonds					
1999 TIF notes	8/15/99	9/01/07	4.00-4.70%	\$ 855,000	\$ 425,000
2001 TIF notes	4/15/01	4/01/11	4.10-4.65%	680,000	550,000
2001 TIF notes	4/15/01	4/01/15	4.10-5.00%	1,175,000	1,095,000
2002 bonds	3/15/02	3/01/17	3.00-5.625%	10,900,000	10,000,000
Sub-Total					12,070,000
2002 TIF capital appreciation bonds	12/02/02	9/01/15	3.40-4.84%	2,184,987	2,368,421
Total Governmental Activities – General Obligation Debt					\$ 14,438,421

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

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

<u>Years</u>	Governmental Activities General Obligation Notes and Bonds	
	Principal	Interest
	2005	\$ 835,000
2006	890,000	529,133
2007	925,000	492,238
2008	815,000	451,951
2009	840,000	416,024
2010 – 2014	4,695,000	1,451,543
2015 – 2017	3,070,000	256,047
Totals	\$ 12,070,000	\$ 4,158,642

Debt service requirements to maturity for general obligation capital appreciation bonds are as follows:

<u>Years</u>	Governmental Activities Capital Appreciation Bonds
2005	\$ -
2006	-
2007	365,000
2008	360,000
2009	365,000
2010 – 2014	1,800,000
2015 – 2017	360,000
	3,250,000
Less interest portion	(881,579)
Principal Portion	\$ 2,368,421

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-04
Business-Type Activities General Obligation Debt					
Sewer Utility State Trust Fund Loan	9/06/01	12/01/11	5.00%	\$ 1,500,000	\$ 1,251,355
Total Business-Type Activities General Obligation Debt					\$ 1,251,355

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-Type Activities General Obligation Debt	
	Principal	Interest
2005	\$ 153,658	\$ 62,568
2006	161,341	54,885
2007	169,408	46,818
2008	177,773	38,452
2009	186,767	29,459
2010 – 2011	402,408	30,435
Totals	<u>\$ 1,251,355</u>	<u>\$ 262,617</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water and sewer utility. Substantially all utility property is subject to mortgage liens until the bonds are paid.

Revenue debt payable at December 31, 2004 consists of the following:

Business-Type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-04
Water utility revenue bonds	9/01/96	12/01/16	4.25-5.75%	\$ 2,990,000	\$ 2,175,000
Sewer utility revenue bonds	9/01/96	12/01/11	4.25-5.45%	1,465,000	1,025,000
Water utility revenue bonds	10/15/97	12/01/17	4.10-5.30%	7,790,000	5,875,000
Water utility revenue bonds	8/15/00	12/01/20	4.45-5.50%	8,165,000	7,315,000
Total Business-type Activities Revenue Debt					<u>\$ 16,390,000</u>

Debt service requirements to maturity are as follows:

Years	Business-Type Activities Revenue Debt	
	Principal	Interest
2005	\$ 875,000	\$ 845,972
2006	950,000	804,310
2007	1,025,000	758,616
2008	1,025,000	708,817
2009	1,075,000	658,342
2010 – 2014	5,790,000	2,434,319
2015 – 2019	5,000,000	883,300
2020	650,000	35,750
Totals	<u>\$ 16,390,000</u>	<u>\$ 7,129,426</u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Bond Anticipation Notes

Bond anticipation notes are payable from the collection of tax increments.

Bond anticipation notes at December 31, 2004 consist of the following:

<u>Governmental Activities Bond Anticipation Notes</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-04</u>
2003 TIF BAN	11/01/03	12/01/2006	2.40%	\$ 1,500,000	<u>\$ 1,500,000</u>
Total Governmental Activities Bond Anticipation Notes					<u><u>\$ 1,500,000</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Bond Anticipation Notes</u>	
	<u>Principal</u>	<u>Interest</u>
2005	\$ -	\$ 36,000
2006	<u>1,500,000</u>	<u>36,000</u>
Totals	<u><u>\$ 1,500,000</u></u>	<u><u>\$ 72,000</u></u>

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The city believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

Prior-Year Defeasance of Debt

In prior years, the city defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the city's financial statements. At December 31, 2004, \$1,825,000 of bonds outstanding are considered defeased. The bonds are callable on September 1, 2006.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASE DISCLOSURES

Lessor – Capital Leases – Business-Type Activities

The water utility entered into a 15-year capital lease with Black Bear Bottling Group, LLC for equipment to be used in its bottling operations. The lease is dated April 26, 2001 with payments to be received in the amount of \$1,970 per month beginning on November 1, 2001 and terminating on October 31, 2016. Minimum future lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2005	\$ 10,449	\$ 14,621	\$ 25,070
2006	9,816	13,824	23,640
2007	10,684	12,956	23,640
2008	11,629	12,011	23,640
2009	12,657	10,983	23,640
2010	13,777	9,863	23,640
2011	14,995	8,645	23,640
2012	16,321	7,319	23,640
2013	17,765	5,875	23,640
2014	19,336	4,304	23,640
2015	21,046	2,594	23,640
2016	18,954	747	19,701
Totals	<u>\$ 177,429</u>	<u>\$ 103,742</u>	<u>\$ 281,171</u>

The water utility entered into a 15-year capital lease with Black Bear Bottling Group, LLC for label equipment to be used in their bottling operation. The lease is dated July 30, 2002 with payments to be received in the amount of \$333 per month at 0% interest beginning on April 1, 2002 and terminating on March 1, 2017. Minimum future lease payments are as follows:

<u>Year</u>	<u>Payments</u>
2005	\$ 4,667
2006	4,000
2007	4,000
2008	4,000
2009	4,000
2010	4,000
2011	4,000
2012	4,000
2013	4,000
2014	4,000
2015	4,000
2016	4,000
2017	1,000
Totals	<u>\$ 49,667</u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASE DISCLOSURES (cont.)

Lessor – Capital Leases – Business-Type Activities (cont.)

The water utility entered into a 15-year note receivable with Black Bear Bottling Group, LLC for equipment to be used in their bottling operations. The lease is dated October 30, 2002 with payments to be received in the amount of \$2,867 per month at 8% interest beginning on January 1, 2003 and terminating on December 1, 2017. Future payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2005	\$ 14,673	\$ 21,744	\$ 36,417
2006	13,710	20,694	34,404
2007	14,848	19,556	34,404
2008	16,081	18,323	34,404
2009	17,416	16,988	34,404
2010	18,861	15,543	34,404
2011	20,426	13,978	34,404
2012	22,122	12,282	34,404
2013	23,958	10,446	34,404
2014	25,946	8,458	34,404
2015	28,100	6,304	34,404
2016	30,432	3,972	34,404
2017	<u>32,957</u>	<u>1,447</u>	<u>34,404</u>
Totals	<u>\$ 279,530</u>	<u>\$ 169,735</u>	<u>\$ 449,265</u>

Lessor – Operating Leases – Governmental-Type Activities

The city has entered into an operating lease with Verizon Wireless (VW) for a 125 foot monopole constructed by VW on city property at 240 East Puetz Road. The term of the lease is 10 years commencing October 21, 2001. The lease shall be automatically renewed for three additional five year terms unless VW notifies Oak Creek of its intention not to renew. In consideration of VW's installation and sale to Oak Creek of the monopole, VW shall occupy the site rent free during the first term of the agreement. Future annual lease payments are as follows:

- First term (years 1-10)
- First renewal term (years 11-15)
- Second renewal term (years 16-20)
- Third renewal term (years 21-25)

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASE DISCLOSURES (cont.)

Lessor – Operating Leases – Business-Type Activities

The water and sewer utility has entered into operating leases with Verizon Wireless (VW), Sprint Spectrum L.P. (SSLP), AT&T Wireless (AT&T), and T-Mobile USA (TM) for space on utility reservoirs to be used for cellular antennas. These leases terminate on November 30, 2005, March 20, 2007, March 1, 2010 and February 26, 2016 for VW, SSLP, AT&T and TM, respectively. Minimum future lease rentals are as follows:

2005	\$ 79,640
2006	58,777
2007	46,255
2008	43,422
2009	44,307
2010	27,387
2011	24,905
2012	25,901
2013	26,937
2014	28,015
2015	29,135
2016	4,713

The water and sewer utility entered into a 10-year operating lease with Black Bear Bottling Group, LLC for office and warehouse space in a utility-owned building to be used for its bottling operations. This building had an original cost of \$2,500,012, a net book value of \$2,375,593 as of December 31, 2003 and a depreciation accrual of \$50,000 during the year 2003. One hundred percent of the space in this building is leased by Black Bear. The lease commenced on November 1, 2001 and will terminate on October 31, 2011. Minimum future lease rentals are as follows:

2005	\$ 221,650
2006	223,100
2007	224,400
2008	226,200
2009	228,000
2010	229,850
2011	193,000

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at December 31, 2004 includes the following:

Governmental Activities

Invested in capital assets, net of related debt	
Land	\$ 15,757,676
Construction in progress	2,178,238
Other capital assets, net of accumulated depreciation	41,686,284
Less: related long-term debt outstanding (excluding non-capital debt)	<u>(14,559,523)</u>
Total Invested in Capital Assets	<u>45,062,675</u>
Restricted	
Debt service	2,410,956
Impact fee escrow	2,883,341
Park escrow	405,464
Loan income loans	104,519
Asset forfeiture	<u>10,617</u>
Total Restricted	<u>5,814,897</u>
Unrestricted	<u>16,371,676</u>
Total Governmental Activities Net Assets	<u>\$ 67,249,248</u>

Governmental fund balances reported on the fund financial statements at December 31, 2004 include the following:

Reserved Fund Balance

Major Funds	
General Fund	
Delinquent personal property taxes	\$ 9,937
Tax equivalent for subsequent year's budget	1,076,186
Inventories	<u>50,258</u>
Total	<u>\$ 1,136,381</u>
Capital Improvements Program Fund	
Reserved for encumbrances	<u>\$ 114,583</u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Reserved Fund Balance (cont.)

Non-Major Fund Reserved Fund Balance

Debt Service Funds

Reserved for debt amortization fund advance to other funds	\$ 150,000
Reserved for TID No. 2 debt service	569,483
Reserved for TID No. 3 debt service	636,404
Reserved for TID No. 5 debt service	104,559
Reserved for TID No. 6 debt service	140,254
Reserved for police station debt service	<u>911,520</u>

Total Non-Major Fund Reserved Fund Balance \$ 2,512,220

Unreserved Fund Balance

Major Funds

General Fund – Contingencies	\$ 150,000
General Fund – Subsequent year's budget	<u>1,717,848</u>

Total General Fund – Designated \$ 1,867,848

General Fund – Undesignated \$ 5,871,125

Paramedic Rescue Fund \$ 437,392

Capital Improvements Fund – projects \$ 5,955,047

Non-Major Funds

Special Revenue Funds

Solid waste fund	\$ 148,974
Donation and Activity fund	49,044
Low Income Loan fund	31,968
Park Escrow fund	405,464
Special Assessment fund	575,610
Economic Development fund	157,108
Impact Fee Escrow fund	2,883,341
Asset forfeiture fund	10,617
Stormwater fund	<u>335,073</u>

Total \$ 4,597,199

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS
December 31, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Unreserved Fund Balance (cont.)

Non-Major Funds (cont.)

Debt Service Fund – debt amortization fund	\$ 128,693
Debt Service Fund – TID No. 4 (deficit)	<u>(111,812)</u>

Total	<u>\$ 16,881</u>
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Capital Projects Fund Developer agreement	<u>\$ 13,873</u>
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Business-Type Activities

Invested in capital assets, net of related debt	
Land and land rights	\$ 131,589
Construction in progress	729,111
Other capital assets, net of accumulated depreciation	86,595,805
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(16,601,217)</u>
Total Invested in Capital Assets	<u>70,855,288</u>

Restricted	
Debt service	802,086
Equipment replacement	<u>301,822</u>
Total Restricted	<u>1,103,908</u>

Unrestricted	<u>9,868,696</u>
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Total Business-Type Activities Net Assets	<u>\$ 81,827,892</u>
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I. RESTATEMENT OF NET ASSETS

Net assets has been restated to retroactively report roads, sidewalks and right of way following the requirements of GASB Statement No. 34.

GENERAL FUND

General Fund balance – December 31, 2003 (as reported)	\$ 32,595,870
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Add: Retroactive reporting of infrastructure	<u>31,013,731</u>
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Fund Balance – January 1, 2004 (as restated)	<u>\$ 63,609,601</u>
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CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible city employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 5.0% of their salary (2.6% for Executives and Elected Officials, 4.5% for Protective Occupations with Social Security, and 3.2% for Protective Occupations without Social Security) to the plan. Employers generally make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for city employees covered by the system for the year ended December 31, 2004 was \$13,092,393; the employer's total payroll was \$13,269,324. The total required contribution for the year ended December 31, 2004 was \$1,822,039 or 13.9 percent of covered payroll. Of this amount, 100 percent was contributed by the employer for the current year. Total contributions for the years ending December 31, 2003 and 2002 were \$1,647,301 and \$1,546,552, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 53 for protective occupation employees) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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 are immediately vested.

The System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The System issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

The pension related debt for the city as of December 31, 2004, was \$-0-. The city paid off the unfunded prior service cost liability in 2002.

B. 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.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance

For health claims, the uninsured risk of loss is \$65,000 deductible per individual and \$3,728,550 in the aggregate for a policy year. Claims in excess of those amounts are covered by specific reinsurance and aggregate reinsurance up to a \$1,000,000 lifetime maximum per individual. 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 of 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. \$1,566,495 was designated for that reserve at year end, and is included in unrestricted net assets of the internal service fund.

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 reported.

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims – Beginning of Year	\$ 442,970	\$ 278,021
Current year claims and changes in estimates	2,798,019	3,074,832
Claim payments	<u>(2,962,968)</u>	<u>(3,038,727)</u>
Unpaid claims – End of Year	<u>\$ 278,021</u>	<u>\$ 314,126</u>

C. COMMITMENTS AND CONTINGENCIES

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 attorney 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.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS December 31, 2004

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS

The city provides postemployment health insurance benefits for all eligible employees. The benefits are based on contractual agreements with employee groups and employee benefit policies. The cost of those premiums is recognized as an expenditure as the premiums are paid. Funding for those costs is provided out of the current operating budget of the general fund. The contributions are financed on a pay as you go basis. Total expenditures for such premiums during the year were \$1,267,000. The number of participants currently eligible to receive benefits is 133, not including dependents. The estimated balance payable over the lives of the covered retirees is \$24,607,000. This estimate is based on current premium rates and currently retired employees and does not incorporate any future estimated rate increases. The estimated balance payable includes only retired employees and their dependents. The estimate does not include future estimated post-retirement benefits for current employees.

E. EXTRAORDINARY ITEM

In accordance with a 30-year contract with the City of Franklin (Franklin), the utility was providing retail water service to a certain portion of Franklin. Upon termination of this contract, the customers could then be transferred back to Franklin. On October 26, 2004, pursuant to a PSCW order, all utility assets located in Franklin, along with 1,689 retail customers, were transferred to Franklin at no cost. The following schedule demonstrates the calculation of the extraordinary item resulting from the transfer of these assets:

<u>Asset Type</u>	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Mains	\$ 6,225,984	\$ (702,914)	\$ 5,523,070
Services	904,809	(228,540)	676,269
Hydrants	<u>904,068</u>	<u>(156,288)</u>	<u>747,780</u>
Totals	<u>\$ 8,034,861</u>	<u>\$ (1,087,742)</u>	<u>\$ 6,947,119</u>

The net book value of these Franklin assets represents the loss on the transfer of the assets to Franklin, and is reported as an extraordinary item in the financial statements.

F. SUBSEQUENT EVENT

The PSCW has approved new water rates on March 11, 2005, and they became effective on March 15, 2005. These rates are based on a 4.75% return on rate base.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAK CREEK

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
General property taxes	\$ 9,032,978	\$ 9,032,978	\$ 8,894,582	\$ (138,396)
Motel room tax	375,000	375,000	389,718	14,718
Mobile home taxes	110,000	110,000	99,849	(10,151)
Other taxes	3,000	3,000	12,389	9,389
TOTALS	<u>9,520,978</u>	<u>9,520,978</u>	<u>9,396,538</u>	<u>(124,440)</u>
INTERGOVERNMENTAL REVENUES				
Shared taxes from state	2,639,108	2,639,108	2,638,092	(1,016)
Fire insurance tax from state	72,470	72,470	80,406	7,936
State transportation aids	1,432,385	1,432,385	1,488,064	55,679
State computer aids	-	-	138,396	138,396
Other state aids	-	-	2,200	2,200
Health department block grant	36,565	36,565	37,146	581
Police grants	135,710	135,710	132,870	(2,840)
Development CDBG grants	27,500	27,500	11,839	(15,661)
TOTALS	<u>4,343,738</u>	<u>4,343,738</u>	<u>4,529,013</u>	<u>185,275</u>
REGULATION AND COMPLIANCE				
Licenses				
Liquor and beer	25,470	25,470	26,288	818
Publishing fees	500	500	540	40
Operators	6,750	6,750	7,435	685
Amusement devices	4,000	4,000	4,725	725
Amusement operators	2,400	2,400	1,800	(600)
Electrical	3,400	3,400	4,380	980
Miscellaneous - business	4,000	4,000	5,483	1,483
Miscellaneous - non-business	100	100	132	32
Permits				
Landfill	450	450	1,500	1,050
Building	345,000	345,000	459,773	114,773
Electrical	110,000	110,000	137,315	27,315
Plumbing	135,000	135,000	159,227	24,227
Street opening	20,000	20,000	32,518	12,518
Erosion control	12,000	12,000	24,544	12,544
Sundry	1,500	1,500	90	(1,410)
Cable TV	220,000	220,000	278,917	58,917
Court fines	420,000	420,000	413,751	(6,249)
TOTALS	<u>1,310,570</u>	<u>1,310,570</u>	<u>1,558,418</u>	<u>247,848</u>
PUBLIC CHARGES FOR SERVICES				
General Government				
Property status letter fees	4,500	4,500	5,260	760
Photo copies sold	3,000	3,000	4,464	1,464
Postage reimbursement	400	400	220	(180)
Zoning/housing appeal fees	300	300	700	400
Rezoning petitions and filing fees	6,200	6,200	6,975	775
Special use request fees	6,500	6,500	12,450	5,950
ROW vacation fees	575	575	-	(575)
Filing fee - certified survey maps	9,000	9,000	16,300	7,300
Plan commission agenda fees	8,400	8,400	9,650	1,250
Subdivision plat fees	500	500	5,875	5,375

CITY OF OAK CREEK

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (cont.)
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES (cont.)				
General Government (cont.)				
Map amendments	\$ 2,400	\$ 2,400	\$ 3,875	\$ 1,475
Maps sold	750	750	523	(227)
Public Safety				
State DWI seizures	-	-	146	146
Police patrol service fees	-	-	1,976	1,976
Miscellaneous fees	250	250	300	50
Copies of police and fire reports	2,000	2,000	2,170	170
False alarm penalties	5,000	5,000	10,300	5,300
County constable fees	-	-	376	376
Health and Sanitation				
Health Department				
School district	18,000	18,000	21,516	3,516
Clinic fees	16,000	16,000	21,312	5,312
Pet license fees/Humane Society	9,500	9,500	10,510	1,010
Public Works				
Weed cutting	40,000	40,000	51,451	11,451
Sale of culvert pipe	5,000	5,000	8,474	3,474
Culvert installation	9,000	9,000	12,258	3,258
Street excavation repairs	-	-	896	896
Library				
Other income	26,500	26,500	26,061	(439)
Photocopies	4,100	4,100	6,762	2,662
Recreation	110,000	110,000	128,553	18,553
Miscellaneous charges for services	4,000	4,000	2,084	(1,916)
TOTALS	<u>291,875</u>	<u>291,875</u>	<u>371,437</u>	<u>79,562</u>
INVESTMENT INCOME				
Investment Income				
Investments	225,000	225,000	260,720	35,720
Taxes	30,000	30,000	76,188	46,188
Invoices	-	-	1,947	1,947
TOTALS	<u>255,000</u>	<u>255,000</u>	<u>338,855</u>	<u>83,855</u>
MISCELLANEOUS INCOME				
Land rentals	775	775	900	125
Insurance incentives	-	-	51,629	51,629
Insurance recoveries	-	-	33,395	33,395
Miscellaneous revenues	2,000	2,000	2,694	694
TOTALS	<u>2,775</u>	<u>2,775</u>	<u>88,618</u>	<u>85,843</u>
INTERFUND CHARGES FOR SERVICES				
Engineering and administration charged to capital projects	238,000	238,000	283,398	45,398
Highway equipment service fee	1,500	1,500	45,961	44,461
Administrative services charged to enterprise funds	33,000	33,000	33,000	-
TOTALS	<u>272,500</u>	<u>272,500</u>	<u>362,359</u>	<u>89,859</u>
TOTAL REVENUES	<u>15,997,436</u>	<u>15,997,436</u>	<u>16,645,238</u>	<u>647,802</u>

CITY OF OAK CREEK

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND (cont.)
 For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
General government	\$ 2,271,155	\$ 2,271,155	\$ 2,183,652	\$ 87,503
Building maintenance	484,785	484,785	447,455	37,330
City administrator	212,465	212,465	177,333	35,132
Data processing	421,420	421,420	422,826	(1,406)
City clerk	433,195	433,195	425,688	7,507
Treasurer	157,530	157,530	148,912	8,618
Assessor	169,350	169,350	158,231	11,119
Attorney and legal	199,575	199,575	223,980	(24,405)
Community development	219,750	219,750	203,635	16,115
TOTALS	<u>4,569,225</u>	<u>4,569,225</u>	<u>4,391,712</u>	<u>177,513</u>
PUBLIC SAFETY				
Police department	6,934,205	6,934,205	6,738,889	195,316
Emergency operations	18,200	18,200	5,758	12,442
Fire department	1,277,853	1,277,853	1,218,789	59,064
Inspection	572,990	572,990	541,945	31,045
TOTALS	<u>8,803,248</u>	<u>8,803,248</u>	<u>8,505,381</u>	<u>297,867</u>
HEALTH AND SOCIAL SERVICES				
Health department	474,765	474,765	442,517	32,248
TOTALS	<u>474,765</u>	<u>474,765</u>	<u>442,517</u>	<u>32,248</u>
PUBLIC WORKS				
Engineering	1,027,855	1,027,855	841,555	186,300
Streets	2,066,965	2,066,965	2,003,130	63,835
TOTALS	<u>3,094,820</u>	<u>3,094,820</u>	<u>2,844,685</u>	<u>250,135</u>
LEISURE ACTIVITIES				
Recreation	913,865	913,865	892,438	21,427
Library	616,670	616,670	608,661	8,009
TOTALS	<u>1,530,535</u>	<u>1,530,535</u>	<u>1,501,099</u>	<u>29,436</u>
TOTAL EXPENDITURES	<u>18,472,593</u>	<u>18,472,593</u>	<u>17,685,394</u>	<u>787,199</u>

CITY OF OAK CREEK

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND (cont.)
 For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OTHER FINANCING SOURCES				
Sale of city equipment	\$ -	\$ -	\$ 6,667	\$ 6,667
Sale of police equipment	30,000	30,000	21,445	(8,555)
Transfer in - tax equivalent	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,076,186</u>	<u>(123,814)</u>
TOTAL OTHER FINANCING SOURCES	<u>1,230,000</u>	<u>1,230,000</u>	<u>1,104,298</u>	<u>(125,702)</u>
Net change in fund balance	(1,245,157)	(1,245,157)	64,142	1,309,299
FUND BALANCE - Beginning of Year	<u>8,811,212</u>	<u>8,811,212</u>	<u>8,811,212</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 7,566,055</u>	<u>\$ 7,566,055</u>	<u>\$ 8,875,354</u>	<u>\$ 1,309,299</u>

CITY OF OAK CREEK

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 PARAMEDIC RESCUE FUND
 For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,890,000	\$ 2,890,000	\$ 2,890,000	\$ -
Public charges for services	840,000	840,000	750,873	(89,127)
Investment income	5,000	5,000	14,544	9,544
Total Revenues	<u>3,735,000</u>	<u>3,735,000</u>	<u>3,655,417</u>	<u>(79,583)</u>
EXPENDITURES				
Public safety	<u>3,733,452</u>	<u>3,733,452</u>	<u>3,555,033</u>	<u>178,419</u>
Total Expenditures	<u>3,733,452</u>	<u>3,733,452</u>	<u>3,555,033</u>	<u>178,419</u>
Excess of revenues over expenditures	1,548	1,548	100,384	98,836
OTHER FINANCING (USES)				
Transfers out	<u>(8,000)</u>	<u>(8,000)</u>	<u>(239,864)</u>	<u>(231,864)</u>
Net Change in Fund Balance	(6,452)	(6,452)	(139,480)	(133,028)
FUND BALANCE - Beginning	<u>576,872</u>	<u>576,872</u>	<u>576,872</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 570,420</u>	<u>\$ 570,420</u>	<u>\$ 437,392</u>	<u>\$ (133,028)</u>

CITY OF OAK CREEK

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2004

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

S U P P L E M E N T A R Y I N F O R M A T I O N

CITY OF OAK CREEK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2004

	Special Revenue Funds									
	Solid Waste Fund	Donation and Activity Fund	Low Income Loan Fund	Park Escrow Fund	Special Assessment Fund	Economic Development Fund	Developer Agreement Future Improvements Fund	Impact Fee Escrow Fund	Asset Forfeiture Fund	Storm Water Fund
ASSETS										
Cash and investments	\$ 197,099	\$ 48,155	\$ 31,968	\$ 405,464	\$ 873,111	\$ 187,284	\$ 897,395	\$ -	\$ -	\$ 345,768
Taxes receivable	800,000	-	-	-	305,104	-	-	-	-	569,239
Accounts receivable	-	1,157	-	-	-	-	-	-	-	-
Special assessments receivable	-	-	-	-	1,716,240	-	-	-	-	-
Loans receivable	-	-	72,551	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	2,883,341	10,617	-
Advances to other funds	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 997,099	\$ 49,312	\$ 104,519	\$ 405,464	\$ 2,894,455	\$ 187,284	\$ 897,395	\$ 2,883,341	\$ 10,617	\$ 915,007
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ 38,619	\$ 268	\$ -	\$ -	\$ -	\$ 29,262	\$ -	\$ -	\$ -	\$ 368
Accrued liabilities	9,506	-	-	-	-	914	-	-	-	10,327
Deposits	-	-	-	-	-	-	897,395	-	-	-
Due to other funds	-	-	-	-	1,085,218	-	-	-	-	-
Deferred revenues	800,000	-	72,551	-	164,523	-	-	-	-	569,239
Deferred revenues - special assessments	-	-	-	-	1,069,104	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-	-
Total Liabilities	848,125	268	72,551	-	2,318,845	30,176	897,395	-	-	579,934
Fund Balances										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved										
Undesignated (deficit)	148,974	49,044	31,968	405,464	575,610	157,108	-	2,883,341	10,617	335,073
Total Fund Balances	148,974	49,044	31,968	405,464	575,610	157,108	-	2,883,341	10,617	335,073
TOTAL LIABILITIES AND FUND BALANCES	\$ 997,099	\$ 49,312	\$ 104,519	\$ 405,464	\$ 2,894,455	\$ 187,284	\$ 897,395	\$ 2,883,341	\$ 10,617	\$ 915,007

CITY OF OAK CREEK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (cont.)
December 31, 2004

	Debt Service Funds						
	Debt Amortization Fund	TIF No. 2 Debt Service Fund	TIF No. 3 Debt Service Fund	TIF No. 4 Debt Service Fund	TIF No. 5 Debt Service Fund	TIF No. 6 Debt Service Fund	Police Station Debt Service Fund
ASSETS							
Cash and investments	\$ 128,693	\$ 569,483	\$ 636,404	\$ 38,188	\$ 104,559	\$ 140,254	\$ 911,520
Taxes receivable	-	247,094	443,936	71,632	88,778	87,720	500,000
Accounts receivable	-	-	-	-	-	-	-
Special assessments receivable	-	13,899	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-
Advances to other funds	150,000	-	-	-	-	-	-
TOTAL ASSETS	\$ 278,693	\$ 830,476	\$ 1,080,340	\$ 109,820	\$ 193,337	\$ 227,974	\$ 1,411,520
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Deferred revenues	-	247,094	443,936	71,632	88,778	87,720	500,000
Deferred revenues - special assessments	-	13,899	-	-	-	-	-
Advances from other funds	-	-	-	150,000	-	-	-
Total Liabilities	-	260,993	443,936	221,632	88,778	87,720	500,000
Fund Balances							
Reserved	150,000	569,483	636,404	-	104,559	140,254	911,520
Unreserved							
Undesignated (deficit)	128,693	-	-	(111,812)	-	-	-
Total Fund Balances	278,693	569,483	636,404	(111,812)	104,559	140,254	911,520
TOTAL LIABILITIES AND FUND BALANCES	\$ 278,693	\$ 830,476	\$ 1,080,340	\$ 109,820	\$ 193,337	\$ 227,974	\$ 1,411,520

CITY OF OAK CREEK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (cont.)
December 31, 2004

	Capital Projects Funds						Total Nonmajor Governmental Funds
	Police Station Project Fund	Developer Agreement Fund	TIF No. 3 Capital Improvement Fund	TIF No. 4 Capital Improvement Fund	TIF No. 5 Capital Improvement Fund	TIF No. 6 Capital Improvement Fund	
ASSETS							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,515,345
Taxes receivable	-	-	-	-	-	-	3,113,503
Accounts receivable	-	155,515	-	-	-	-	156,672
Special assessments receivable	-	-	-	-	-	-	1,730,139
Loans receivable	-	-	-	-	-	-	72,551
Restricted cash and investments	-	-	-	-	-	-	2,893,958
Advances to other funds	-	-	-	-	-	-	150,000
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 155,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,632,168</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ 3,060	\$ -	\$ -	\$ -	\$ -	\$ 71,577
Accrued liabilities	-	-	-	-	-	-	20,747
Deposits	-	-	-	-	-	-	897,395
Due to other funds	-	138,582	-	-	-	-	1,223,800
Deferred revenues	-	-	-	-	-	-	3,045,473
Deferred revenues - special assessments	-	-	-	-	-	-	1,083,003
Advances from other funds	-	-	-	-	-	-	150,000
Total Liabilities	<u>-</u>	<u>141,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,491,995</u>
Fund Balances							
Reserved	-	-	-	-	-	-	2,512,220
Unreserved							
Undesignated (deficit)	-	13,873	-	-	-	-	4,627,953
Total Fund Balances	<u>-</u>	<u>13,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,140,173</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 155,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,632,168</u>

CITY OF OAK CREEK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2004

	Special Revenue Funds								
	Solid Waste Fund	Donation and Activity Fund	Low Income Loan Fund	Park Escrow Fund	Special Assessment Fund	Economic Development Fund	Impact Fee Escrow Fund	Asset Forfeiture Fund	Storm Water Fund
REVENUES									
Taxes	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	110,472	23,777	-	-	-	-	-	-	-
Public charges for service	3,915	-	-	-	-	-	-	-	611,332
Special assessments / developer contributions	-	-	-	-	844,650	-	-	-	-
Investment income	5,257	-	38,472	7,706	29,653	2,877	8,863	298	8,950
Fees collected	-	-	-	7,977	-	-	544,574	-	-
Miscellaneous	31,030	95,153	-	-	-	-	-	25,823	-
Total Revenues	<u>950,674</u>	<u>118,930</u>	<u>38,472</u>	<u>15,683</u>	<u>874,303</u>	<u>2,877</u>	<u>553,437</u>	<u>26,121</u>	<u>620,282</u>
EXPENDITURES									
Current									
Public Safety	-	28,527	-	-	-	-	-	63,011	-
Public works	1,013,049	-	-	-	-	-	-	-	383,557
Leisure activities	-	82,227	-	-	-	-	-	-	-
Conservation and development	-	-	47,772	-	-	105,989	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,013,049</u>	<u>110,754</u>	<u>47,772</u>	<u>-</u>	<u>-</u>	<u>105,989</u>	<u>-</u>	<u>63,011</u>	<u>383,557</u>
Excess (deficiency) of revenues over expenditures	<u>(62,375)</u>	<u>8,176</u>	<u>(9,300)</u>	<u>15,683</u>	<u>874,303</u>	<u>(103,112)</u>	<u>553,437</u>	<u>(36,890)</u>	<u>236,725</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(136,000)	-	-	(96,244)	(300,000)	-	(123,143)	-	-
Total Other Financing Sources (Uses)	<u>(136,000)</u>	<u>-</u>	<u>-</u>	<u>(96,244)</u>	<u>(300,000)</u>	<u>-</u>	<u>(123,143)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(198,375)	8,176	(9,300)	(80,561)	574,303	(103,112)	430,294	(36,890)	236,725
FUND BALANCES (DEFICIT) - Beginning of Year	<u>347,349</u>	<u>40,868</u>	<u>41,268</u>	<u>486,025</u>	<u>1,307</u>	<u>260,220</u>	<u>2,453,047</u>	<u>47,507</u>	<u>98,348</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 148,974</u>	<u>\$ 49,044</u>	<u>\$ 31,968</u>	<u>\$ 405,464</u>	<u>\$ 575,610</u>	<u>\$ 157,108</u>	<u>\$ 2,883,341</u>	<u>\$ 10,617</u>	<u>\$ 335,073</u>

CITY OF OAK CREEK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Cont.)
For the Year Ended December 31, 2004

	Debt Service Funds						
	Debt Amortization Fund	TIF No. 2 Debt Service Fund	TIF No. 3 Debt Service Fund	TIF No. 4 Debt Service Fund	TIF No. 5 Debt Service Fund	TIF No. 6 Debt Service Fund	Police Station Debt Service Fund
REVENUES							
Taxes	\$ -	\$ 220,695	\$ 302,964	\$ 40,918	\$ 93,440	\$ 60,673	\$ 500,000
Intergovernmental	-	3,689	14,605	-	72	10	-
Public charges for service	-	-	-	-	-	-	-
Special assessments / developer contributions	-	3,474	-	-	-	-	-
Investment income	1,569	8,601	6,640	487	1,275	563	6,297
Fees collected	-	-	-	-	-	-	-
Miscellaneous	-	-	17,696	-	-	-	-
Total Revenues	<u>1,569</u>	<u>236,459</u>	<u>341,905</u>	<u>41,405</u>	<u>94,787</u>	<u>61,246</u>	<u>506,297</u>
EXPENDITURES							
Current							
Public Safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Leisure activities	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service							
Principal	-	100,000	60,000	-	65,000	-	575,000
Interest	-	23,975	52,428	-	26,098	36,000	489,282
Total Expenditures	<u>-</u>	<u>123,975</u>	<u>112,428</u>	<u>-</u>	<u>91,098</u>	<u>36,000</u>	<u>1,064,282</u>
Excess (deficiency) of revenues over expenditures	<u>1,569</u>	<u>112,484</u>	<u>229,477</u>	<u>41,405</u>	<u>3,689</u>	<u>25,246</u>	<u>(557,985)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	91,120	-	23,734	115,008	592,047
Transfers out	-	-	-	(174,009)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>91,120</u>	<u>(174,009)</u>	<u>23,734</u>	<u>115,008</u>	<u>592,047</u>
Net change in fund balances	1,569	112,484	320,597	(132,604)	27,423	140,254	34,062
FUND BALANCES (DEFICIT) - Beginning of Year	<u>277,124</u>	<u>456,999</u>	<u>315,807</u>	<u>20,792</u>	<u>77,136</u>	<u>-</u>	<u>877,458</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 278,693</u>	<u>\$ 569,483</u>	<u>\$ 636,404</u>	<u>\$ (111,812)</u>	<u>\$ 104,559</u>	<u>\$ 140,254</u>	<u>\$ 911,520</u>

CITY OF OAK CREEK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Cont.)
For the Year Ended December 31, 2004

	Capital Projects Funds						Total Nonmajor Governmental Funds
	Police Station Project Fund	Developer Agreements Fund	TIF No. 3 Capital Improvement Fund	TIF No. 4 Capital Improvement Fund	TIF No. 5 Capital Improvement Fund	TIF No. 6 Capital Improvement Fund	
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,018,690
Intergovernmental	-	-	-	-	-	-	152,625
Public charges for service	-	-	-	-	-	-	615,247
Special assessments / developer contributions	-	206,207	-	-	-	-	1,054,331
Investment income	5,485	140	1,000	-	67	1,510	135,710
Fees collected	-	-	-	-	-	-	552,551
Miscellaneous	-	-	-	-	-	-	169,702
Total Revenues	<u>5,485</u>	<u>206,347</u>	<u>1,000</u>	<u>-</u>	<u>67</u>	<u>1,510</u>	<u>4,698,856</u>
EXPENDITURES							
Current							
Public Safety	-	-	-	-	-	-	91,538
Public works	-	-	-	-	-	-	1,396,606
Leisure activities	-	-	-	-	-	-	82,227
Conservation and development	-	-	-	-	-	-	153,761
Capital Outlay	31,182	198,406	50	21,659	138	36,003	287,438
Debt Service							
Principal	-	-	-	-	-	-	800,000
Interest	-	-	-	-	-	-	627,783
Total Expenditures	<u>31,182</u>	<u>198,406</u>	<u>50</u>	<u>21,659</u>	<u>138</u>	<u>36,003</u>	<u>3,439,353</u>
Excess (deficiency) of revenues over expenditures	<u>(25,697)</u>	<u>7,941</u>	<u>950</u>	<u>(21,659)</u>	<u>(71)</u>	<u>(34,493)</u>	<u>1,259,503</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	174,009	-	-	995,918
Transfers out	(492,048)	-	(91,120)	-	(23,734)	(115,008)	(1,551,306)
Total Other Financing Sources (Uses)	<u>(492,048)</u>	<u>-</u>	<u>(91,120)</u>	<u>174,009</u>	<u>(23,734)</u>	<u>(115,008)</u>	<u>(555,388)</u>
Net change in fund balance	(517,745)	7,941	(90,170)	152,350	(23,805)	(149,501)	704,115
FUND BALANCES (DEFICIT) - Beginning of Year	<u>517,745</u>	<u>5,932</u>	<u>90,170</u>	<u>(152,350)</u>	<u>23,805</u>	<u>149,501</u>	<u>6,436,058</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ 13,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,140,173</u>