

**CITY OF OAK CREEK**

Oak Creek, Wisconsin

**FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2012

# CITY OF OAK CREEK

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## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oak Creek, Wisconsin, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Oak Creek's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

To the City Council  
City of Oak Creek

### **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, 2012 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note I, the City of Oak Creek adopted the provisions of GASB Statement No. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective January 1, 2012. Our opinions are not modified with respect to this matter.

### **Other Matters**

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

To the City Council  
City of Oak Creek

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

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

*Baker Tilly Virchow Krause, LLP*

Milwaukee, Wisconsin  
July 22, 2013

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## CITY OF OAK CREEK

### STATEMENT OF NET POSITION As of December 31, 2012

	Governmental Activities	Business- type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 21,157,892	\$ 14,253,597	\$ 35,411,489
Taxes receivable	22,875,076	-	22,875,076
Delinquent personal property taxes receivable	8,288	-	8,288
Accounts receivable	1,065,289	2,753,275	3,818,564
Special assessments receivable	1,289,005	-	1,289,005
Loans receivable	8,813	-	8,813
Notes receivable	1,767,000	-	1,767,000
Interest receivable	178,712	-	178,712
Other assets	-	14,438	14,438
Internal balances	986,733	(986,733)	-
Prepaid items and inventories	143,922	71,267	215,189
Restricted cash and investments	1,411,829	1,607,083	3,018,912
Capital Assets			
Land and land rights	22,952,030	131,589	23,083,619
Construction in progress	-	10,107	10,107
Other capital assets, net of depreciation	<u>72,992,273</u>	<u>107,660,679</u>	<u>180,652,952</u>
Total Assets	<u>146,836,862</u>	<u>125,515,302</u>	<u>272,352,164</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	3,292,780	1,118,639	4,411,419
Deposits	681,311	-	681,311
Unearned revenue	22,367,238	71,248	22,438,486
Noncurrent Liabilities			
Due within one year	8,832,807	1,553,592	10,386,399
Due in more than one year	<u>38,761,960</u>	<u>19,577,116</u>	<u>58,339,076</u>
Total Liabilities	<u>73,936,096</u>	<u>22,320,595</u>	<u>96,256,691</u>
<b>NET POSITION</b>			
Net investment in capital assets	72,980,549	87,435,134	160,370,258
Restricted for debt service	2,664,682	1,554,151	4,218,833
Restricted for TID activity	2,165,796	-	2,165,796
Restricted for impact fees	1,376,372	-	1,376,372
Restricted for park escrow	478,574	-	478,574
Restricted for other purposes	823,029	-	823,029
Unrestricted (deficit)	<u>(7,588,236)</u>	<u>14,205,422</u>	<u>6,662,611</u>
<b>TOTAL NET POSITION</b>	<u>\$ 72,900,766</u>	<u>\$ 103,194,707</u>	<u>\$ 176,095,473</u>

See accompanying notes to financial statements.

**CITY OF OAK CREEK**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
<b>Governmental Activities</b>							
General government	\$ 7,457,027	\$ 1,483,864	\$ 19,745	\$ 127,881	\$ (5,825,537)	\$ -	\$ (5,825,537)
Public safety	18,998,259	1,619,340	274,516	-	(17,104,403)	-	(17,104,403)
Health and social services	641,186	22,769	86,328	-	(532,089)	-	(532,089)
Public works	10,779,203	946,329	1,575,175	2,069,493	(6,188,206)	-	(6,188,206)
Leisure activities	3,588,261	210,902	-	1,750	(3,375,609)	-	(3,375,609)
Conservation and development	1,294,967	-	201,801	159,946	(933,220)	-	(933,220)
Interest and fiscal charges	590,496	-	-	-	(590,496)	-	(590,496)
<b>Total Governmental Activities</b>	<b>43,349,399</b>	<b>4,283,204</b>	<b>2,157,565</b>	<b>2,359,070</b>	<b>(34,549,560)</b>	<b>-</b>	<b>(34,549,560)</b>
<b>Business-type Activities</b>							
Water utility	6,984,567	9,488,253	-	566,466	-	3,070,152	3,070,152
Sewer utility	3,368,263	3,783,843	-	460,211	-	875,791	875,791
<b>Total Business-type Activities</b>	<b>10,352,830</b>	<b>13,272,096</b>	<b>-</b>	<b>1,026,677</b>	<b>-</b>	<b>3,945,943</b>	<b>3,945,943</b>
<b>Totals</b>	<b>\$ 53,702,229</b>	<b>\$ 17,555,300</b>	<b>\$ 2,157,565</b>	<b>\$ 3,385,747</b>	<b>(34,549,560)</b>	<b>3,945,943</b>	<b>(30,603,617)</b>
<b>General Revenues</b>							
<b>Taxes</b>							
Property taxes, levied for general purposes					18,059,370	-	18,059,370
Property taxes, levied for debt service					850,000	-	850,000
Property taxes, levied for tax incremental districts					765,073	-	765,073
Other taxes					674,595	-	674,595
Intergovernmental revenues not restricted to specific programs					6,415,067	-	6,415,067
Investment income					691,168	126,645	817,813
Miscellaneous					2,672,570	(203)	2,672,367
Gain on sale of capital assets					488,366	301,130	789,496
<b>Transfers</b>					<u>1,680,782</u>	<u>(1,680,782)</u>	<u>-</u>
<b>Total General Revenues and Transfers</b>					<u>32,296,991</u>	<u>(1,253,210)</u>	<u>31,043,781</u>
<b>Change in Net Position</b>					(2,252,569)	2,692,733	440,164
<b>NET POSITION - Beginning of Year</b>					<u>75,153,335</u>	<u>100,501,974</u>	<u>175,655,309</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 72,900,766</u>	<u>\$ 103,194,707</u>	<u>\$ 176,095,473</u>

See accompanying notes to financial statements.



**CITY OF OAK CREEK**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2012

	General	Emergency Medical Services Fund	Capital Improvement Fund	Police Station Debt Service Fund	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>						
Cash and investments	\$ 5,077,001	\$ -	\$ 6,875,156	\$ -	\$ 8,563,988	\$ 20,516,145
Receivables						
Taxes	13,724,901	3,551,590	-	850,000	4,748,585	22,875,076
Delinquent personal property taxes	8,288	-	-	-	-	8,288
Accounts	539,052	126,570	270,936	-	89,838	1,026,396
Notes receivable	-	-	-	-	1,767,000	1,767,000
Interest receivable	29,723	-	-	-	148,989	178,712
Special assessments	-	-	-	-	1,289,005	1,289,005
Loans	-	-	-	-	8,813	8,813
Due from other funds	2,812,411	-	-	-	314,900	3,127,311
Inventories	143,922	-	-	-	-	143,922
Restricted cash and investments	-	-	-	-	1,411,829	1,411,829
<b>TOTAL ASSETS</b>	<b>\$ 22,335,298</b>	<b>\$ 3,678,160</b>	<b>\$ 7,146,092</b>	<b>\$ 850,000</b>	<b>\$ 18,342,947</b>	<b>\$ 52,352,497</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 324,173	\$ 22,475	\$ 1,059,024	\$ -	\$ 402,295	\$ 1,807,967
Accrued liabilities	604,325	74,611	59,887	-	26,552	765,375
Deposits	106,460	-	-	-	574,851	681,311
Due to other funds	411,253	384,141	-	108,933	1,230,130	2,134,457
Deferred revenues	13,347,340	3,558,675	101,483	850,000	4,627,121	22,484,619
Deferred revenues - special assessments	-	-	-	-	1,279,019	1,279,019
Total Liabilities	<u>14,793,551</u>	<u>4,039,902</u>	<u>1,220,394</u>	<u>958,933</u>	<u>8,139,968</u>	<u>29,152,748</u>
Fund Balances						
Nonspendable	1,272,568	-	-	-	-	1,272,568
Restricted	-	-	-	-	7,749,326	7,749,326
Committed	-	-	-	-	3,037,081	3,037,081
Assigned	2,080,782	-	5,925,698	-	-	8,006,480
Unassigned (deficit)	<u>4,188,397</u>	<u>(361,742)</u>	<u>-</u>	<u>(108,933)</u>	<u>(583,428)</u>	<u>3,134,294</u>
Total Fund Balances	<u>7,541,747</u>	<u>(361,742)</u>	<u>5,925,698</u>	<u>(108,933)</u>	<u>10,202,979</u>	<u>23,199,749</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 22,335,298</b>	<b>\$ 3,678,160</b>	<b>\$ 7,146,092</b>	<b>\$ 850,000</b>	<b>\$ 18,342,947</b>	<b>\$ 52,352,497</b>

See accompanying notes to financial statements.

## CITY OF OAK CREEK

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION For the Year Ended December 31, 2012

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Fund balance - total governmental funds	\$ 23,199,749
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Amounts reported for governmental activities in the statement of net position are different because:

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

Land and land rights	22,952,030
Other capital assets, net of depreciation	72,992,273

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	1,279,019
Accounts receivable	7,085
Grants receivable	101,483
Loans receivable	8,813

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

	195,954
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Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, not reported in the funds.

Bonds and notes payable	(23,315,203)
Unamortized debt premium	(42,113)
Unfunded OPEB liability	(22,281,388)
Compensated absences	(1,956,063)
Accrued interest	<u>(240,873)</u>

<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 72,900,766</u></b>
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## CITY OF OAK CREEK

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For the Year Ended December 31, 2012

	General	Emergency Medical Services Fund	Capital Improvement Fund	Police Station Debt Service Fund	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>						
Taxes	\$ 13,664,329	\$ 3,551,590	\$ -	\$ 850,000	\$ 2,283,119	\$ 20,349,038
Intergovernmental	4,623,523	129,663	453,012	-	3,620,584	8,826,782
Regulation and compliance	1,300,095	-	-	-	-	1,300,095
Public charges for services	321,982	966,515	-	-	871,884	2,160,381
Special assessments/developer contributions	-	-	294,312	-	556,909	851,221
Investment income	551,913	-	20,483	-	120,592	692,988
Miscellaneous	191,058	101	-	-	2,499,491	2,690,650
Interfund charges for services	247,143	-	-	-	-	247,143
<b>Total Revenues</b>	<u>20,900,043</u>	<u>4,647,869</u>	<u>767,807</u>	<u>850,000</u>	<u>9,952,579</u>	<u>37,118,298</u>
<b>EXPENDITURES</b>						
Current						
General government	6,553,314	-	-	-	-	6,553,314
Public safety	10,807,613	4,863,151	-	-	1,162,786	16,833,550
Health and social services	545,060	-	-	-	71,177	616,237
Public works	3,298,714	-	-	-	1,839,088	5,137,802
Leisure activities	1,930,412	-	-	-	171,959	2,102,371
Conservation and development	-	-	-	-	608,591	608,591
Capital Outlay	-	-	13,707,174	-	2,603,031	16,310,205
Debt Service						
Principal retirement	-	-	-	5,400,000	735,000	6,135,000
Interest and fiscal charges	-	-	-	185,481	317,457	502,938
<b>Total Expenditures</b>	<u>23,135,113</u>	<u>4,863,151</u>	<u>13,707,174</u>	<u>5,585,481</u>	<u>7,509,089</u>	<u>54,800,008</u>
Excess (deficiency) of revenues over expenditures	<u>(2,235,070)</u>	<u>(215,282)</u>	<u>(12,939,367)</u>	<u>(4,735,481)</u>	<u>2,443,490</u>	<u>(17,681,710)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-term debt issued	-	-	6,000,000	-	4,600,000	10,600,000
Refunding debt issued	-	-	-	4,530,000	-	4,530,000
Premium on debt	-	-	28,788	-	41,578	70,366
Sale of property	17,865	-	-	-	470,500	488,365
Transfers in	1,680,782	-	4,678,000	94,371	662,533	7,115,686
Transfers out	(165,408)	-	-	-	(5,269,496)	(5,434,904)
<b>Total Other Financing Sources (Uses)</b>	<u>1,533,239</u>	<u>-</u>	<u>10,706,788</u>	<u>4,624,371</u>	<u>505,115</u>	<u>17,369,513</u>
<b>Net Change in Fund Balance</b>	<u>(701,831)</u>	<u>(215,282)</u>	<u>(2,232,579)</u>	<u>(111,110)</u>	<u>2,948,605</u>	<u>(312,197)</u>
FUND BALANCES (Deficit) - Beginning of Year	<u>8,243,578</u>	<u>(146,460)</u>	<u>8,158,277</u>	<u>2,177</u>	<u>7,254,374</u>	<u>23,511,946</u>
<b>FUND BALANCES (Deficit) - END OF YEAR</b>	<u>\$ 7,541,747</u>	<u>\$ (361,742)</u>	<u>\$ 5,925,698</u>	<u>\$ (108,933)</u>	<u>\$ 10,202,979</u>	<u>\$ 23,199,749</u>

See accompanying notes to financial statements.

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## 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, 2012

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Net change in fund balances - total governmental funds	\$	(312,197)
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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 position the cost of these assets is capitalized and they are depreciated over their estimated useful lives with depreciation expense reported in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		16,310,205
Some items capitalized were not reported as capital outlay		1,236,300
Some amounts reported as capital outlay were not capitalized		(5,768,075)
Depreciation is reported in the government-wide statements		(2,514,229)
Net book value of disposed assets		(395,477)

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		(245,781)
Grants		101,483
Loans		(2,575)

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

Principal repaid		6,135,000
Debt proceeds		(15,130,000)
Capital appreciation bond increase		(60,843)

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

Premium on issued debt		(70,366)
Amortization of debt premium/discount on debt issued		28,253

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

50,179

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

Other postemployment benefits		(1,987,211)
Compensated absences		427,735
Accrued interest on debt		(54,970)

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>(2,252,569)</u></b>
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See accompanying notes to financial statements.

**CITY OF OAK CREEK**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 As of December 31, 2012

	Business-type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Totals	Activities - Internal Service Fund
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and investments	\$ 6,256,868	\$ 7,996,729	\$ 14,253,597	\$ 641,747
Customer accounts receivable	1,950,150	776,266	2,726,416	-
Other accounts receivable	23,342	3,517	26,859	38,893
Due from other funds	256,833	194,156	450,989	18,594
Unamortized debt issue costs	918	-	918	-
Inventories	71,267	-	71,267	-
Restricted assets				
Revenue bond redemption account	161,266	-	161,266	-
<b>Total Current Assets</b>	<b>8,720,644</b>	<b>8,970,668</b>	<b>17,691,312</b>	<b>699,234</b>
<b>Noncurrent Assets</b>				
<b>Restricted Assets</b>				
Revenue bond reserve account	1,445,817	-	1,445,817	-
<b>Total Restricted Assets</b>	<b>1,445,817</b>	<b>-</b>	<b>1,445,817</b>	<b>-</b>
<b>Capital Assets</b>				
Land and land rights	118,444	13,145	131,589	-
Construction in progress	10,107	-	10,107	-
Utility plant in service	103,682,480	41,850,102	145,532,582	-
Accumulated depreciation	(28,292,514)	(9,579,389)	(37,871,903)	-
<b>Total Capital Assets</b>	<b>75,518,517</b>	<b>32,283,858</b>	<b>107,802,375</b>	<b>-</b>
<b>Other Assets</b>				
Property held for future use	5,000	-	5,000	-
Due from other funds - special assessments	120,418	127,792	248,210	-
Unamortized bond discount and expense	8,520	-	8,520	-
<b>Total Other Assets</b>	<b>133,938</b>	<b>127,792</b>	<b>261,730</b>	<b>-</b>
<b>Total Assets</b>	<b>85,818,916</b>	<b>41,382,318</b>	<b>127,201,234</b>	<b>699,234</b>

	Business-type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Totals	Activities - Internal Service Fund
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 320,166	\$ 515,919	\$ 836,085	\$ 478,565
Accrued payroll	173,970	31,700	205,670	-
Accrued interest payable	23,952	-	23,952	-
Due to other funds	1,704,910	5,737	1,710,647	-
Unearned revenue	71,248	-	71,248	-
Compensated absences	19,193	-	19,193	-
Revenue bonds payable	277,137	-	277,137	-
Liabilities Payable From Restricted Assets				
Accrued interest	52,932	-	52,932	-
Current portion of revenue bonds	1,300,000	-	1,300,000	-
Less: Unamortized loss on advance refunding of revenue bonds	<u>(42,738)</u>	<u>-</u>	<u>(42,738)</u>	<u>-</u>
Total Current Liabilities	<u>3,900,770</u>	<u>553,356</u>	<u>4,454,126</u>	<u>478,565</u>
Noncurrent Liabilities				
Net other postemployment benefits obligation	587,869	146,967	734,836	-
Revenue bonds	19,055,747	-	19,055,747	-
Less: Unamortized loss on advance refunding of revenue bonds	<u>(213,467)</u>	<u>-</u>	<u>(213,467)</u>	<u>-</u>
Total Noncurrent Liabilities	<u>19,430,149</u>	<u>146,967</u>	<u>19,577,116</u>	<u>-</u>
Total Liabilities	<u>23,330,919</u>	<u>700,323</u>	<u>24,031,242</u>	<u>478,565</u>
<b>NET POSITION</b>				
Net investment in capital assets	55,151,276	32,283,858	87,435,134	-
Restricted				
Debt service	1,554,151	-	1,554,151	-
Unrestricted	<u>5,782,570</u>	<u>8,398,137</u>	<u>14,180,707</u>	<u>220,669</u>
<b>TOTAL NET POSITION</b>	<u>\$ 62,487,997</u>	<u>\$ 40,681,995</u>	103,169,992	<u>\$ 220,669</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>24,715</u>	
Net Position of Business-type Activities			<u>\$ 103,194,707</u>	

See accompanying notes to financial statements.

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**CITY OF OAK CREEK**

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

For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Totals	Activities - Internal Service Fund
<b>OPERATING REVENUES</b>				
Charges for services and sales	\$ 9,275,619	\$ 3,681,449	\$ 12,957,068	\$ -
Other operating revenues	216,737	3,394	220,131	6,557,835
Total Operating Revenues	<u>9,492,356</u>	<u>3,684,843</u>	<u>13,177,199</u>	<u>6,557,835</u>
<b>OPERATING EXPENSES</b>				
Operation and maintenance	3,777,020	2,769,158	6,546,178	6,508,615
Depreciation	2,283,410	549,564	2,832,974	-
Taxes	114,033	49,541	163,574	-
Total Operating Expenses	<u>6,174,463</u>	<u>3,368,263</u>	<u>9,542,726</u>	<u>6,508,615</u>
Operating Income	<u>3,317,893</u>	<u>316,580</u>	<u>3,634,473</u>	<u>49,220</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	87,852	38,793	126,645	756
Income from merchandising and jobbing	(4,103)	-	(4,103)	-
Rental income	-	99,000	99,000	-
Interest expense	(766,448)	-	(766,448)	-
Amortization expense	(43,656)	-	(43,656)	-
Gain on sale of capital assets	-	301,130	301,130	-
Total Nonoperating Revenues (Expenses)	<u>(726,355)</u>	<u>438,923</u>	<u>(287,432)</u>	<u>756</u>
<b>Income (Loss) Before Contributions and Transfers</b>	2,591,538	755,503	3,347,041	49,976
<b>CAPITAL CONTRIBUTIONS</b>	566,466	460,211	1,026,677	-
<b>TRANSFERS OUT</b>	<u>(1,680,782)</u>	-	<u>(1,680,782)</u>	-
<b>Change in Net Position</b>	1,477,222	1,215,714	2,692,936	49,976
NET POSITION - Beginning of Year	<u>61,010,775</u>	<u>39,466,281</u>		<u>170,693</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 62,487,997</u>	<u>\$ 40,681,995</u>		<u>\$ 220,669</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(203)	
Change in Net Position of Business-Type Activities			<u>\$ 2,692,733</u>	

See accompanying notes to financial statements.

**CITY OF OAK CREEK**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Totals	Activities - Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from customers	\$ 8,950,329	\$ 3,687,174	\$ 12,637,503	\$ 6,669,540
Received from rents of water property	177,026	-	177,026	-
Payment for nonoperating activities	(11,571)	-	(11,571)	-
Received from miscellaneous sources	42,897	3,381	46,278	-
Paid to Milwaukee Metro Sewerage District for sewer user charges	-	(1,979,004)	(1,979,004)	-
Paid to suppliers for goods and services	(2,571,691)	(465,287)	(3,036,978)	(6,588,234)
Paid to employees for services	(1,719,117)	(420,477)	(2,139,594)	-
Net Cash Flows From Operating Activities	<u>4,867,873</u>	<u>825,787</u>	<u>5,693,660</u>	<u>81,306</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Paid to city for tax equivalent	<u>(1,518,425)</u>	<u>(26,000)</u>	<u>(1,544,425)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from equipment lease	116,054	-	116,054	-
Proceeds from promissory note	321,612	-	321,612	-
Proceeds from property rental	-	121,000	121,000	-
Investment income	29,169	12,694	41,863	756
Net Cash Flows From Investing Activities	<u>466,835</u>	<u>133,694</u>	<u>600,529</u>	<u>756</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(1,255,647)	(36,844)	(1,292,491)	-
Proceeds received for acquisition and construction of capital assets	39,769	30,443	70,212	-
Proceeds from sale of capital assets	-	2,350,000	-	-
Special assessment proceeds	56,807	101,114	157,921	-
Proceeds from salvage on capital assets	4,121	-	4,121	-
Debt retired	(1,521,018)	-	(1,521,018)	-
Interest paid	(822,289)	-	(822,289)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(3,498,257)</u>	<u>2,444,713</u>	<u>(1,053,544)</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>318,026</b>	<b>3,378,194</b>	<b>3,696,220</b>	<b>82,062</b>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,940,030</u>	<u>3,056,911</u>	<u>6,996,941</u>	<u>559,685</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b><u>\$ 4,258,056</u></b>	<b><u>\$ 6,435,105</u></b>	<b><u>\$ 10,693,161</u></b>	<b><u>\$ 641,747</u></b>

	<u>Business-type Activities - Enterprise Funds</u>			Governmental
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	<u>Activities - Internal Service Funds</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 3,317,893	\$ 316,580	\$ 3,634,473	\$ 49,220
Nonoperating revenues (expenses)	(4,104)	-	(4,104)	-
Adjustments to Reconcile Operating Income to Net Cash Provided From Operating Activities				
Noncash items included in income				
Depreciation	2,283,410	549,564	2,832,974	-
Depreciation charged to other accounts	80,520	(49,856)	30,664	-
Gain on sale of transportation equipment	(4,121)	-	(4,121)	-
Changes in assets and liabilities				
Customer accounts receivable	(329,276)	4,488	(324,788)	-
Other accounts receivable	4,847	(13)	4,834	93,077
Due from other funds	(60,513)	(13,650)	(74,163)	18,628
Inventories	(4,505)	-	(4,505)	-
Accounts payable and accrued liabilities	(311,105)	(3,342)	(314,447)	(79,619)
Accrued expenses	(215,213)	(4,697)	(219,910)	-
Net other post employment benefits obligation	106,854	26,713	133,567	-
Unearned revenue	3,186	-	3,186	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 4,867,873</b>	<b>\$ 825,787</b>	<b>\$ 5,693,660</b>	<b>\$ 81,306</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>				
Cash and investments	\$ 6,256,868	\$ 7,996,729	\$ 14,253,597	\$ 641,747
Restricted cash and investments - current	161,266	-	161,266	-
Restricted cash and investments - noncurrent	1,445,817	-	1,445,817	-
Less: Investments not considered to be cash and cash equivalents	(3,605,895)	(1,561,624)	(5,167,519)	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 4,258,056</b>	<b>\$ 6,435,105</b>	<b>\$ 10,693,161</b>	<b>\$ 641,747</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Interest income earned on noncash equivalents	\$ 47,506	\$ 20,573		\$ -
Market value adjustment on investments	\$ 13,786	\$ 5,970		\$ -
Gain on capital asset retirements	\$ 4,121	\$ 301,130		\$ -
Cost of capital assets installed and/or financed by developers	\$ 469,146	\$ 308,824		\$ -
Cost of capital assets financed by assessment of benefits to property owners	\$ 97,320	\$ 151,387		\$ -
Interest capitalized on construction projects	\$ 53,440	\$ -		\$ -

See accompanying notes to financial statements.

**CITY OF OAK CREEK**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
As of December 31, 2012

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 31,419,493
Property taxes receivable	<u>20,843,227</u>
<b>TOTAL ASSETS</b>	<u>\$ 52,262,720</u>
<b>LIABILITIES</b>	
Due to other taxing units	<u>\$ 52,262,720</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 52,262,720</u>

See accompanying notes to financial statements.

## CITY OF OAK CREEK

### INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### **NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **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. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. 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**

In June 2011, the GASB issued statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards did not include guidance for these elements, which are distinct from assets and liabilities.

The city implemented this standard effective January 1, 2012.

#### ***Government-Wide Financial Statements***

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

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

---

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

---

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

##### ***Government-Wide Financial Statements (cont.)***

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

##### ***Fund Financial Statements***

Financial statements of the 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 position/fund equity, revenues, and expenditure/expenses.

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

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

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

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

---

### 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 major governmental funds:

- General Fund – accounts for the city’s primary operating activities. It is used to account for and report all financial resources except those required to be accounted for in another fund.
- Emergency Medical Services Fund – Special Revenue Fund – used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the paramedic rescue program.
- Capital Improvement Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the capital improvement program.
- Police Station Debt Service Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs for debt related to the police station.

The city reports the following major enterprise funds:

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

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

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

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



# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

---

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

---

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

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

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

- DPW Debt Service Fund
- Debt Amortization Fund
- TIF No. 4 Debt Service Fund
- TIF No. 5 Debt Service Fund
- TIF No. 6 Debt Service Fund

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

- Developer Agreement Fund
- TIF No. 7 Capital Projects Fund
- TIF No. 8 Capital Projects Fund
- TIF No. 9 Capital Projects Fund
- TIF No. 10 Capital Projects Fund
- TIF No. 11 Capital Projects Fund

In addition, the city reports the following fund types:

Internal service funds are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the city, or to other governmental units, on a cost-reimbursement basis.

- Health Insurance Fund

Agency funds are used to account for and report 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

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

---

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

---

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

##### ***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned 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.

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

##### ***Fund Financial Statements***

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

Property taxes are recorded in the year levied as receivables and deferred 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.

## CITY OF OAK CREEK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

---

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

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

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.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

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

###### ***All Financial Statements***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets 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.

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

---

#### **D. ASSETS, LIABILITIES, AND NET POSITION 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:

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

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

##### ***Custodial Credit Risk***

In order to safeguard investments and deposits, the city shall require, at a minimum, that each approved public depository, submit to the city its annual financial statements. The Finance Committee shall annually evaluate such statements as to the financial soundness of the depository by May 1st of each year.

The city shall require, when investing in repurchase agreements, that collateral be pledged by the depository in an amount equal to or greater than the amount of the repurchase agreements the city has with such depository.

- a) The collateral shall be direct obligations of the United States, or of its agencies, if the payment of principal and interest is guaranteed by the federal government, or obligations of the State of Wisconsin, or collateral of commercial loans at one-hundred twenty-five percent, which are at all times current with regard to interest and principal.
- b) Evidence of such collateral shall be provided by the depository.

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

##### **1. Deposits and Investments (cont.)**

###### ***Credit Risk***

Any security including commercial paper which matures or which may be tendered for purchase at the option of the holder within not more than seven years on the date which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's investor service or other similar nationally recognized rating agency, or if that security is senior to, or on a parity with a security of the same issuer which has such a rating.

###### ***Concentration of Credit Risk***

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

###### ***Interest Rate Risk***

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

Bids shall be required of all investments that are in excess of \$100,000 or have a maturity date of 30 days or longer. A minimum of three bids from the city's public depository list shall be acquired for time deposits.

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

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

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on 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.

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

##### **1. Deposits and Investments** (cont.)

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, 2012, 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 III.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 fiduciary net position.

Property tax calendar – 2012 tax roll:

Lien date and levy date	December 2012
Tax bills mailed	December 2012
Payment in full, or	January 31, 2013
First installment due (50%)	January 31, 2013
Second installment due (25%)	March 31, 2013
Third installment due (25%)	May 31, 2013
Personal property taxes in full	January 31, 2013
Tax sale – 2012 delinquent real estate taxes	October 2015

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

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

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

##### **2. Receivables (cont.)**

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

The city has received grant funds for CDBG housing loan programs to qualified individuals. The city records a loan receivable when the loan has been made and funds have been disbursed. The city is no longer disbursing these funds.

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 restricted fund balance in the fund financial statements.

##### **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 or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or for operation and maintenance expense when used.

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

##### **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 position.

##### **5. Capital Assets**

###### **Government –Wide Statements**

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

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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#### **D. ASSETS, LIABILITIES, AND NET POSITION 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. Interest of \$53,440 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 position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	30-50	Years
Land Improvements	20-30	Years
Machinery and Equipment	3-15	Years
Utility System	15-100	Years
Infrastructure	20-50	Years
Intangibles	2-15	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 effective interest method.

##### **7. Compensated Absences**

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

All vested paid time off is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements and are payable with expendable available resources.



# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

##### **7. Compensated Absences (cont.)**

Payments for paid time off will be made at rates in effect when the benefits are used. The liabilities at December 31, 2012 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 statement of net position.

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

Name	Date	Original Principal Amount	Maturity	Principal Amount Outstanding at 12-31-12
AAA Sales & Engineering	11/17/98	\$ 6,375,000	11/1/21	\$ 870,191
F & M Management Company	5/1/96	3,000,000	5/1/25	799,245
Crown Prince Inc.	12/2/03	2,235,000	1/1/24	870,000
Wisconsin Electric Power Company	12/1/04	67,000,000	8/1/16	67,000,000
AAA Sales & Engineering	12/21/2010	6,000,000	9/30/18	4,857,120
Total				<u>\$ 74,396,556</u>

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

##### **9. Claims and Judgments**

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

##### **10. Equity Classifications**

###### **Government–Wide Statements**

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

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

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financial by the debt of the governmental activities column. The amount is a reduction of “net investment in capital assets,” and an increase in “unrestricted” net position, shown only in the total column.

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 72,980,549	\$ 87,435,134	\$ (45,425)	\$ 160,370,258
Unrestricted	(7,588,236)	14,205,422	45,425	6,662,611

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. In accordance with Governmental Accounting Standards Board Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, the City of Oak Creek classifies governmental fund balance as follows:

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

##### **10. Equity Classifications** (cont.)

###### **Fund Statements** (cont.)

- a. Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the city. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Council that originally created the commitment.
- d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The city has adopted a financial policy authorizing the City Administrator and the Finance Director to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

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

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

The city has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 15% to 25% of total general fund annual revenues plus the amount of state shared revenue during the previous year. In the previous year, general fund annual revenues were \$21,299,489 and the state shared revenue was \$4,744,597, for a total of \$26,044,086. At year end, amounts available for working capital and included in unassigned general fund balance totaled \$4,188,397, or 16%.

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### **NOTE II – 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 APPROPRIATION**

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Special Revenue Funds			
Emergency Medical Services Fund	\$ 4,795,220	\$ 4,863,151	\$ 67,931
Donation & Activity Fund	232,000	276,126	44,126
WE- Energies Fund	2,005,065	2,124,838	119,773
Asset Forfeiture Fund	-	2,829	2,829
Debt Service Funds			
TIF No. 4 Debt Service Fund	360,500	698,888	338,388
TIF No. 6 Debt Service Fund	156,240	156,294	54
General Debt Service Fund	2,917,125	3,275,125	358,000
Police Debt Service Fund	1,045,166	5,585,481	4,540,315
Capital Projects Funds			
Capital Improvements Fund	6,118,232	13,707,174	7,588,942
Developer Improvements Fund	100,000	205,546	105,546
Internal Service Fund			
Health Insurance Fund	6,158,800	6,508,615	349,815

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 As of and for the Year Ended December 31, 2012

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#### NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

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##### **C. DEFICIT BALANCES**

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

As of December 31, 2012, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Special Revenue Fund		
Emergency Medical Services Fund	\$ 361,742	Excess of expenditures over revenues
Debt Service Funds		
Police Station Debt Service Fund	108,933	Excess of expenditures over revenues
TIF No. 4 Debt Service Fund	371,371	Excess of expenditures over revenues
Capital Projects Funds		
TIF No. 8 Capital Projects Fund	57,711	Excess of expenditures over revenues
TIF No. 10 Capital Projects Fund	151,161	Excess of expenditures over revenues
TIF No. 11 Capital Projects Fund	3,185	Excess of expenditures over revenues

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

##### **D. LIMITATIONS ON THE CITY'S TAX LEVY**

As part of Wisconsin's Act 32 (2011), legislation was passed that limits the city's future tax levies. Generally, the city is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the city's equalized value due to new construction, or zero percent for the 2011 levy collected in 2012 and thereafter. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions.

## CITY OF OAK CREEK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

#### **NOTE III – DETAILED NOTES ON ALL FUNDS**

##### **A. DEPOSITS AND INVESTMENTS**

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

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

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 13,132,408	\$ 13,652,441	Custodial credit risk
U.S. securities	4,522,787	4,443,433	Custodial credit risk, interest rate risk, concentration of credit risk
Municipal bonds	749,064	749,064	Credit risk, custodial credit risk, interest rate risk, concentration of credit risk
Asset backed securities	11,862,415	11,862,415	Credit risk, custodial credit risk, interest rate risk
Corporate bonds	5,802,969	5,709,419	Credit risk, custodial credit risk, interest rate risk, concentration of credit risk
Local Government Investment Pool	33,776,116	33,776,116	Credit risk
Petty cash	4,135	-	N/A
Total Cash and Investments	<b>\$ 69,849,894</b>	<b>\$ 70,192,888</b>	
Reconciliation to financial statements			
Per statement of net position			
Cash and investments	\$ 35,411,489		
Restricted cash and investments	3,018,912		
Per statement of net position – fiduciary funds			
Agency	31,419,493		
Total Cash and Investments	<b>\$ 69,849,894</b>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), \$250,000 for interest-bearing demand deposit accounts, and unlimited amounts for noninterest-bearing transaction accounts through December 31, 2012. On January 1, 2013, the temporary unlimited coverage for noninterest bearing transaction accounts expired. Therefore, demand deposit accounts (interest-bearing and noninterest-bearing) are insured for a total of \$250,000 beginning January 1, 2013. In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### **NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

#### **A. DEPOSITS AND INVESTMENTS (cont.)**

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 custodial credit risk

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

#### ***Custodial Credit Risk***

##### **Deposits**

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

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

##### **Investments**

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

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

#### ***Credit Risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As of December 31, 2012 the city's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poor's</u>	<u>Fitch Ratings</u>	<u>Moody's</u>
Federal Home Loan Bank	AA	AAA	AAA
Federal National Mortgage Association	AA	AAA	AAA
Federal Home Loan Mortgage Corp.	AA	AAA	AAA
Asset backed securities	A+ – AA	AA- – AA	AA2
Corporate bonds	A – AA	A – AA	BAA – AAA

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

Local Government Investment Pool

**CITY OF OAK CREEK**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

***Concentration of Credit Risk***

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

At December 31, 2012, the investment portfolio did not contain any single issuer in excess of 5% of total investments.

***Interest Rate Risk***

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

As of December 31, 2012, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In years)		
		Less than 1 year	1 - 10	> 10 years
U.S. securities	\$ 4,522,787	\$ 1,147,314	\$ 3,375,473	\$ -
Municipal bonds	749,064	191,952	557,112	-
Asset backed securities	11,862,415	531,069	4,713,407	6,617,939
Corporate bonds	5,802,969	3,930,915	1,872,054	-
External investment pools	33,776,116	33,776,116	-	-
<b>Totals</b>	<b>\$ 56,713,351</b>	<b>\$ 39,577,366</b>	<b>\$ 10,518,046</b>	<b>\$ 6,617,939</b>



## CITY OF OAK CREEK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

#### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

##### **B. RECEIVABLES**

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

	Total Net Receivables	Amounts Not Expected To be Collected Within one year
General Fund	\$ 14,301,964	\$ 15,373
Paramedic Rescue Fund	3,678,160	-
Capital Improvement Fund	270,936	-
Police Station Debt Service Fund	850,000	-
Nonmajor Governmental Funds	8,052,230	1,300,393
<b>Total</b>	<b>\$ 27,153,290</b>	<b>\$ 1,315,766</b>

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. Accounts receivable in the Emergency Medical Services Fund have been adjusted by \$125,000 for an allowance for uncollectible accounts.

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:

	Unavailable	Unearned	Total
Property taxes and special charges receivable for subsequent year	\$ -	\$ 22,343,241	\$ 22,343,241
Accounts receivable not collected	7,085	23,997	31,082
Special assessments not yet due	1,279,019	-	1,279,019
Grant	101,483	-	101,483
Loan receivables	8,813	-	8,813
<b>Total Deferred/Unearned Revenue for Governmental Funds</b>	<b>\$ 1,396,400</b>	<b>\$ 22,367,238</b>	<b>\$ 23,763,638</b>

**CITY OF OAK CREEK**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**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.

**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, 2012:

	Governmental Activities	Business- Type Activities	Total
Redemption account	\$ -	\$ 161,266	\$ 161,266
Reserve account	-	1,445,817	1,445,817
Impact fee account	1,376,372	-	1,376,372
Asset forfeiture account	35,457	-	35,457
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u>\$ 1,411,829</u>	<u>\$ 1,607,083</u>	<u>\$ 3,018,912</u>

## CITY OF OAK CREEK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

#### **NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

#### **D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 21,103,154	\$ 1,884,916	\$ 36,040	\$ 22,952,030
Total Capital Assets Not Being Depreciated	21,103,154	1,884,916	36,040	22,952,030
Capital assets being depreciated				
Land improvements	1,663,530	-	-	1,663,530
Buildings	22,127,886	-	-	22,127,886
Intangible Asset – Easements	5,400	-	-	5,400
Machinery and equipment	16,614,126	798,888	429,805	16,983,209
Bridges	286,370	-	-	286,370
Roads	35,997,250	7,509,677	500,867	43,006,060
Sidewalks	3,454,033	-	-	3,454,033
Street lighting	3,829,253	402,562	-	4,231,815
Storm sewers	21,586,428	1,182,387	-	22,768,815
Total Capital Assets Being Depreciated	105,564,276	9,893,514	930,672	114,527,118
Less: Accumulated depreciation for				
Land improvements	(711,366)	(68,706)	-	(780,072)
Buildings	(5,087,399)	(432,085)	-	(5,519,484)
Intangible Asset – Easements	(2,700)	(2,700)	-	(5,400)
Machinery and equipment	(11,643,652)	(843,788)	401,973	(12,085,467)
Bridges	(17,184)	(2,864)	-	(20,048)
Roads	(8,495,923)	(555,990)	169,262	(8,882,651)
Sidewalks	(2,018,893)	(50,517)	-	(2,069,410)
Street lighting	(2,586,990)	(135,748)	-	(2,722,738)
Storm sewers	(9,027,744)	(421,831)	-	(9,449,575)
Total Accumulated Depreciation	(39,591,851)	(2,514,229)	571,235	(41,534,845)
Net Capital Assets Being Depreciated	65,972,425	7,379,285	359,437	72,992,273
Total Governmental Activities Assets, Net of Accumulated Depreciation	\$ 87,075,579	\$ 9,264,201	\$ 395,477	\$ 95,944,303

## CITY OF OAK CREEK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

#### **NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

#### **D. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

#### **Governmental Activities**

General government	\$ 43,319
Public safety	694,084
Public works, which includes the depreciation of roads, sidewalks and storm sewers	1,597,809
Health and social services	1,205
Leisure activities	<u>177,812</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 2,514,229</u></u>

	<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>2,728,537</u>	<u>498,265</u>	<u>3,216,695</u>	<u>10,107</u>
Total Capital Assets Not Being Depreciated	<u>2,846,981</u>	<u>498,265</u>	<u>3,216,695</u>	<u>128,551</u>
Capital assets being depreciated				
Source of supply	6,200,674	-	-	6,200,674
Pumping	6,185,484	3,013,553	53,370	9,145,667
Treatment	25,117,331	20,800	5,000	25,133,131
Transmission and distribution	57,893,456	1,084,711	601,503	58,376,664
General	<u>4,983,818</u>	<u>75,260</u>	<u>232,734</u>	<u>4,826,344</u>
Total Capital Assets Being Depreciated	<u>100,380,763</u>	<u>4,194,324</u>	<u>892,607</u>	<u>103,682,480</u>
Total Capital Assets	<u>103,227,744</u>	<u>4,692,589</u>	<u>4,109,302</u>	<u>103,811,031</u>
Less: Accumulated depreciation for				
Source of supply	(1,669,510)	(107,588)	-	(1,777,098)
Pumping	(3,055,429)	(303,693)	53,370	(3,305,752)
Treatment	(6,587,408)	(816,887)	5,000	(7,399,295)
Transmission and distribution	(12,917,154)	(978,401)	601,503	(13,294,052)
General	<u>(2,591,690)</u>	<u>(161,482)</u>	<u>236,855</u>	<u>(2,516,317)</u>
Total Accumulated Depreciation	<u>(26,821,191)</u>	<u>(2,368,051)</u>	<u>896,728</u>	<u>(28,292,514)</u>
Net Water Plant	<u><u>\$ 76,406,553</u></u>	<u><u>\$2,324,538</u></u>	<u><u>3,212,574</u></u>	<u><u>\$ 75,518,517</u></u>

## CITY OF OAK CREEK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

#### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Sewer</b>				
Capital assets not being depreciated				
Land and land rights	\$ 295,342	\$ -	\$ 282,197	\$ 13,145
Construction in progress	150,796	5,618	156,414	-
Total Capital Assets Not Being Depreciated	446,138	5,618	438,611	13,145
Capital assets being depreciated				
Collection system	43,167,600	460,273	2,480,616	41,147,257
Collection system pumping	260,599	3,965	21,154	243,410
General	472,128	-	12,693	459,435
Total Capital Assets Being Depreciated	43,900,327	464,238	2,514,463	41,850,102
Total Capital Assets	44,346,465	469,856	2,963,074	41,863,247
Less: Accumulated depreciation for				
Collection system	(9,283,215)	(448,563)	713,943	(9,017,835)
Collection system pumping	(241,686)	(10,305)	21,154	(230,837)
General	(302,570)	(40,840)	12,693	(330,717)
Total Accumulated Depreciation	(9,827,471)	(499,708)	747,790	(9,579,389)
Net Sewer Plant	\$ 34,518,994	\$ (29,852)	\$ 2,205,284	\$ 32,283,858
Business-type Capital Assets, Net of Depreciation	\$ 110,925,547	\$ 2,294,686	\$ 5,417,858	\$ 107,802,375

Depreciation expense was charged to functions as follows:

#### Business-type Activities

Water	\$ 2,283,410
Sewer	549,564
Total Business-type Activities Depreciation Expense	\$ 2,832,977

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

## CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### *E. INTERFUND RECEIVABLES/PAYABLES 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	Water utility	\$ 1,686,316	\$ -
General fund	Sewer utility	5,737	-
General fund	Emergency medical services fund	384,141	384,141
General fund	TIF # 4 Debt service fund	369,945	369,945
General fund	Developer agreement fund	4,233	4,233
General fund	TIF # 10 Debt service fund	203,450	203,450
General fund	TIF # 8 Capital projects fund	49,656	49,656
General fund	Police Station Debt service fund	108,933	108,933
Economic development fund	TIF #7 Capital projects fund	314,900	314,900
Health insurance fund	Water utility	18,594	-
Water utility	General fund	236,302	-
Sewer utility	General fund	174,951	-
Sewer utility	Special assessment fund	146,997	127,792
Water utility	Special assessment fund	<u>140,949</u>	120,418
Total – Fund Financial Statements		3,845,104	
Less: Internal service fund allocation		(24,715)	
Fund eliminations		(1,435,258)	
Government-wide eliminations		<u>(1,398,398)</u>	
Total Internal Balances – Government-Wide Statement of Net Position		<u>\$ 986,733</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 position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

**CITY OF OAK CREEK**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

***E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)***

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	Water utility	\$ 1,680,782	Tax equivalent
DPW debt service fund	Debt amortization fund	497,125	Finance payment of DPW debt service
Police debt service fund	Impact fee escrow fund	94,371	Finance payment of police debt service
Capital improvements fund	Impact fee escrow fund	825,000	Finance of capital improvement projects
Capital improvements fund	WE energies fund	1,000,000	Finance of capital improvement projects
Capital improvements fund	Special assessment fund	75,000	Finance of capital improvement projects
Capital improvements fund	Debt amortization fund	2,778,000	Finance of capital improvement projects
Activity & donation fund	General fund	<u>165,408</u>	Library donations
Subtotal – Fund financial statements		7,115,686	
Less: Fund eliminations		<u>(5,434,904)</u>	
Total – Government-Wide Statement of Activities		<u>\$ 1,680,782</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.

For the statement of activities, interfund transfers within governmental activities or business-type activities are netted and eliminated.

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable:					
General obligation debt:					
Notes and bonds	\$ 12,975,000	\$ 15,130,000	\$ 5,775,000	\$ 22,330,000	\$ 7,225,000
Capital appreciation bonds	1,284,360	60,843	360,000	985,203	360,000
Sub-Totals	14,259,360	15,190,843	6,135,000	23,315,203	7,585,000
Add: Unamortized debt premium	-	70,366	28,253	42,113	-
Sub-Total	14,259,360	15,261,209	6,163,253	23,357,316	7,585,000
Other Liabilities					
Vested compensated absences	2,383,798	1,046,143	1,473,878	1,956,063	1,247,807
Other postemployment benefits	20,294,177	3,757,211	1,770,000	22,281,388	-
Total Other Liabilities	22,677,975	4,803,354	3,243,878	24,237,451	1,247,807
Total Governmental Activities Long-Term Liabilities	\$ 36,937,335	\$ 20,064,563	\$ 9,407,131	\$ 47,594,767	8,832,807

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable:					
Revenue bonds	\$ 22,153,902	\$ -	\$ 1,521,018	\$ 20,632,884	\$ 1,577,137
Less: unamortized loss on refunding	(298,942)	-	(42,737)	(256,205)	(42,738)
Sub-totals	21,854,960	-	1,478,281	20,376,679	1,534,399
Other Liabilities					
Other postemployment benefits	601,269	337,567	204,000	734,836	-
Vested compensated absences	178,578	17,192	176,577	19,193	19,193
Total Business-type Activities Long-Term Liabilities	\$ 22,634,807	\$ 354,759	\$ 1,858,858	\$ 21,130,708	\$ 1,553,592



# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS (cont.)

##### *General Obligation Debt and Note Anticipation Notes*

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, 2012 was \$146,638,330. Total general obligation debt outstanding at year end was \$23,315,203.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 12-31-12</u>
<b>Governmental Activities</b>					
<b>General Obligation Debt</b>					
G.O. notes and bonds					
2006 bonds	10/15/06	10/01/16	4.00-4.50%	\$ 1,200,000	\$ 575,000
2010 bonds	4/01/10	4/01/30	1.50-4.375%	7,000,000	6,625,000
2012 bonds	2/01/12	3/01/17	1.00-1.75%	4,530,000	4,530,000
2012A notes	5/15/12	5/01/13	2.00%	6,000,000	6,000,000
2012B notes	5/01/12	5/01/15	2.00%	4,600,000	4,600,000
Sub-Total					22,330,000
2002 Capital appreciation bonds	12/02/02	9/01/15	3.40-4.84%	2,184,987	985,203
Total Governmental Activities – Notes and Bonds					\$ 23,315,203

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

<u>Years</u>	Governmental Activities	
	Notes and Bonds	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 7,225,000	\$ 580,796
2014	1,300,000	400,323
2015	5,950,000	331,307
2016	1,375,000	257,119
2017	1,255,000	225,762
2018-2022	1,650,000	921,155
2023-2027	2,050,000	547,218
2028-2030	1,525,000	101,641
Totals	\$ 22,330,000	\$ 3,365,321

**CITY OF OAK CREEK**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

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

<u>Years</u>	<u>Governmental Activities Capital Appreciation Bonds</u>
2013	\$ 360,000
2014	360,000
2015	<u>360,000</u>
	1,080,000
Less: Interest portion	<u>(94,797)</u>
Principal Portion	<u><u>\$ 985,203</u></u>

**Revenue Debt**

The city has pledged future water and sewer revenues, net of specified operating expenses, to repay \$20,632,884 in revenue bonds issued in previous years. Proceeds from the bonds provided financing for capital improvements. The bonds are payable solely from revenues and are payable through December 1, 2020. The total principal and interest remaining to be paid on the bonds is \$28,095,249. Principal and interest paid for the current year and total customer net revenues were \$2,343,308 and \$5,689,155, respectively. Future principal and interest payments are expected to require 25% of net revenues.

Revenue debt payable at December 31, 2012 consists of the following:

**Business-type Activities Revenue Debt**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 12-31-12</u>
Water utility refunding revenue bonds	11/1/05	12/01/20	3.38-5.00%	\$ 12,130,000	\$ 7,855,000
Water utility revenue bonds	1/13/10	5/1/29	2.668%	791,863	725,907
Water utility revenue bonds	3/15/11	12/1/31	2.25-5.00%	6,500,000	6,400,000
Water utility revenue bonds	11/23/11	5/1/31	2.20%	5,889,583	<u>5,651,977</u>
Total Business-type Activities Revenue Debt					<u><u>\$ 20,632,884</u></u>

**CITY OF OAK CREEK**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

***Business-type Activities Revenue Debt* (cont.)**

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Revenue Debt	
	Principal	Interest
2013	\$ 1,577,137	\$ 775,769
2014	1,633,395	719,628
2015	1,689,794	659,344
2016	1,746,339	596,694
2017	1,628,032	531,849
2018 – 2022	4,825,998	1,878,206
2023 – 2027	3,862,645	1,128,761
2028 – 2031	3,669,544	349,824
Totals	\$ 20,632,884	\$ 7,462,365

***Other Debt Information***

Estimated payments for capital leases, vested compensated absences and other post employment benefits are not included in the debt service requirement schedules. The compensated absences and other post employment benefits liabilities 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.

***Current Refunding***

On February 21, 2012, the city issued \$4.53 Million in general obligation bonds with an average interest rate of 1.4% to current refund \$4.625 Million of outstanding bonds with an average interest rate of 5.03%. The net proceeds of \$4.53 Million plus an additional \$95,000 sinking fund monies were used to prepay the outstanding debt service requirements on the old bonds.

The cash flow requirements on the refunded bonds and notes prior to the current refunding was \$5,801,953 from 2013 through 2017. The cash flow requirements on the 2012 general obligation refunding bonds are \$4,752,789 from 2013 through 2017. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$948,000.

## CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

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#### G. LEASE DISCLOSURES

##### ***Lessor – Operating Leases – Governmental 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)		25,537
Second renewal term (years 16-20)		30,645
Third renewal term (years 21-25)		36,774

The city has entered into an operating lease with T-Mobile Central LLC (TM) for a 125 foot monopole constructed by TM on city property at 240 East Puetz Road. The term of the lease is 5 years commencing April 30, 2007. The lease shall be automatically renewed for four additional five year terms unless TM notifies Oak Creek of its intention not to renew. Future annual lease payments are as follows:

First term (years 1-5)	\$	23,900
First renewal term (years 6-10)		28,680
Second renewal term (years 11-15)		34,416
Third renewal term (years 16-20)		41,299
Fourth renewal term (years 21-25)		49,559

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

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

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

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#### G. LEASE DISCLOSURES (cont.)

##### ***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 at 8.5% interest beginning on November 1, 2001 and terminating on October 31, 2016. In accordance with the lease agreement, the balance due can be paid off early with no penalties. On April 30, 2012, Black Bear paid the remainder of this lease in full, with accrued interest, in the amount of \$90,729. Therefore, there are no future lease payments remaining as of December 31, 2012.

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. In accordance with the lease agreement, the balance due can be paid off early with no penalties. On April 30, 2012, Black Bear paid the remainder of this lease in full, with accrued interest, in the amount of \$20,000. Therefore, there are no future lease payments remaining as of December 31, 2012.

The water and sewer utility entered into an operating lease with Black Bear Bottling Group, LLC (Black Bear) for office and warehouse space in a utility-owned building to be used for their bottling operations. The original lease commenced on November 1, 2001 and two amendments to the original lease extended the termination date to March 31, 2020. However, Black Bear exercised its option to purchase the building during 2012, terminating the lease early. The utility sold the building to Black Bear on May 16, 2012. This building had an original cost of \$2,220,010, a net book value of \$1,766,673 at the time of sale and a depreciation accrual of \$22,200 during the year 2012. One hundred percent of the space in this building was leased by Black Bear until the time of sale. Since the building is no longer owned by the utility and the lease agreement has been terminated as of December 31, 2012, there are no future lease payments remaining.

The water utility entered into a 15-year promissory note with Black Bear for equipment to be used in their bottling operations. The note 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. In accordance with the promissory note agreement, the balance due can be paid off early with no penalties. On April 30, 2012, Black Bear paid the remainder of this note in full, with accrued interest, in the amount of \$160,245. Therefore, there are no future payments remaining as of December 31, 2012.

The water utility entered into a 10-year promissory note with Black Bear to be used for its bottling operations. The note is dated February 19, 2009 with payments to be received in the amount of \$2,220 per month at 6% interest beginning on March 1, 2009 and terminating on February 1, 2019. In accordance with the promissory note agreement, the balance due can be paid off early with no penalties. On April 30, 2012, Black Bear paid the remainder of this note in full, with accrued interest, in the amount of \$152,031. Therefore, there are no future payments remaining as of December 31, 2012.

# CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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## NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

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### G. LEASE DISCLOSURES (cont.)

#### *Lessor – Operating Leases – Business-type Activities* (cont.)

The water and sewer utility has entered into operating leases with Verizon Wireless (VW), Sprint Spectrum L.P. (SSLP), Cingular Wireless (CW), Cricket Communications (CC), and T-Mobile USA (TM) for space on utility reservoirs to be used for cellular antennas. These leases terminate on November 30, 2015, March 20, 2012, March 1, 2015, January 24, 2013, February 26, 2016 and January 24, 2018 for VW, SSLP, AT&T, CC and TM, respectively. Minimum future lease rentals are as follows:

2013	\$ 175,506
2014	172,880
2015	144,794
2016	61,913
2017	36,357
2018	1,928

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **H. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2012 includes the following:

#### **Governmental Activities**

Net Investment in Capital Assets	
Land	\$ 22,952,030
Other capital assets, net of accumulated depreciation	72,992,273
Less: Related long-term debt outstanding (excluding non-capital debt)	<u>(22,963,754)</u>
Total Net Investment in Capital Assets	<u>72,980,549</u>
Restricted	
Debt service	2,664,682
TID activity	2,165,796
Impact fee escrow	1,376,372
Park escrow	478,574
Storm Water	434,554
Donation and activity	328,224
Developer agreement	17,021
Asset forfeiture	35,457
Low income loans	<u>7,773</u>
Total Restricted	<u>7,508,453</u>
Unrestricted	<u>(7,588,236)</u>
Total Governmental Activities Net Position	<u>\$ 72,900,766</u>

Governmental fund balances reported on the fund financial statements at December 31, 2012 include the following:

#### **Nonspendable Fund Balance**

Major Funds	
General Fund	
inventories	\$ 143,922
Delinquent personal property taxes	8,288
Non-current receivables from other funds	<u>1,120,358</u>
Total General Fund	<u>1,272,568</u>
<b>Total Nonspendable Fund Balance</b>	<u><b>\$ 1,272,568</b></u>

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### *H. NET POSITION/FUND BALANCES (cont.)*

##### **Governmental Activities (cont.)**

##### **Restricted Fund Balance**

##### Non-Major Funds

Special Revenue Funds		
Donation and Activity	\$	328,224
Low Income Loan		7,773
Park Escrow		478,574
Impact Fee Escrow		1,376,372
Asset Forfeiture		35,457
Storm Water		434,554
Debt Service Funds		
DPW Debt Service		500
Debt Amortization		2,068,721
TID No. 5 Debt Service		324,931
TID No. 6 Debt Service		511,403
Capital Projects Funds		
Developer Agreement		17,021
TID No. 7 Capital Projects		2,104,181
TID No. 9 Capital Projects		61,615
<b>Total Restricted Fund Balance</b>	<b>\$</b>	<b><u>7,749,326</u></b>

##### **Committed Fund Balance**

##### Non-Major Funds

Special Revenue Funds		
Solid Waste	\$	158,048
WE Energies		964,440
Special Assessment		1,331,733
Economic Development		582,860
<b>Total Committed Fund Balance</b>	<b>\$</b>	<b><u>3,037,081</u></b>

##### **Assigned Fund Balance**

##### Major Funds

General Fund		
Subsequent year's budget appropriations	\$	200,000
Tax equivalent for subsequent year		1,680,782
Accumulated sick time payout		200,000
Total General Fund		<u>2,080,782</u>
Capital Improvement Fund		<u>5,925,698</u>
<b>Total Assigned Fund Balance</b>	<b>\$</b>	<b><u>8,006,480</u></b>



# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **H. NET POSITION/FUND BALANCES (cont.)**

##### **Governmental Activities (cont.)**

##### **Unassigned Fund Balance**

###### Major Funds

General Fund	\$ 4,188,397
Emergency Medical Services Fund (deficit)	(361,742)
Police Station Debt Services Fund (deficit)	(108,933)
Total Major Funds	<u>3,717,722</u>

###### Non-Major Funds

Debt Service Funds	
TID No. 4 Debt Service (deficit)	(371,371)
Capital Projects Funds	
TID No. 8 Capital Projects (deficit)	(57,711)
TID No. 10 Capital Projects (deficit)	(151,161)
TID No. 11 Capital Projects (deficit)	(3,185)
Total Non-major Funds	<u>(583,428)</u>

**Total Unassigned Fund Balance** \$ 3,134,294

##### **Business-type Activities**

###### Net Investment in Capital Assets

Land and land rights	\$ 131,589
Construction in progress	10,107
Other capital assets, net of accumulated depreciation	107,660,679
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(20,367,241)</u>
Total Net Investment in Capital Assets	<u>87,435,134</u>

###### Restricted

Debt service	<u>1,554,151</u>
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###### Unrestricted

	<u>14,205,422</u>
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Total Business-type Activities Net Position \$ 103,194,707

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE IV – OTHER INFORMATION

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#### 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 employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed at least one year from employee's date of hire are eligible to participate in the WRS.

Prior to June 29, 2011, covered employees in the General category are required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective the first day of the first pay period on or after July 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, and Executives and Elected Officials. Required contributions for protective occupations are the same as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for December 31, 2012 are:

	<u>Employee</u>	<u>Employer</u>
General	5.9%	5.9%
Executives and Elected Officials	7.05%	7.05%
Protective with Social Security	5.9%	5.9%
Protective without Social Security	5.9%	11.3%

The payroll for city employees covered by the system for the year ended December 31, 2012 was \$17,194,475; the employer's total payroll was \$18,370,029. The total required contribution for the year ended December 31, 2012 was \$2,857,282 or 16.6% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ending December 31, 2011 and 2010 were \$2,933,197 and \$2,710,708, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) 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 and submitting application 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 and prior to July 1, 2011 are

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### NOTE IV – OTHER INFORMATION

#### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

immediately vested. Participants who initially become WRS eligible on or after July 1, 2011 must have five years of creditable service to be 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.

As of December 31, 2012 there was no pension related debt for the city.

#### **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. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

##### ***Self Insurance***

For health claims, the uninsured risk of loss is \$100,000 deductible per individual and \$6,187,573 in the aggregate for a policy year. Claims in excess of those amounts are covered by specific reinsurance up to \$1,920,000 lifetime maximum reimbursement 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 in the city participate in the health and dental insurance internal service fund. Amounts payable to the health insurance fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. \$220,669 was designated for that reserve at year end, and is included in unrestricted net position of the internal service fund.

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

##### ***Claims Liability***

	Prior Year	Current Year
Unpaid claims – Beginning of Year	\$ 466,780	\$ 549,192
Current year claims and changes in estimates	5,833,017	4,915,306
Claim payments	(5,750,605)	(4,988,399)
Unpaid Claims – End of Year	\$ 549,192	\$ 476,099

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE IV – OTHER INFORMATION (cont.)

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#### **B. RISK MANAGEMENT** (cont.)

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

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

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

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

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

Financial statements of WMIC and CVMIC are available from: the WMIC / CVMIC administrative office at 9898 West Bluemound Road, Wauwatosa, WI 53226.

The city pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the city's retained liability. The city's retained liability is limited to \$50,000 per occurrence and an annual aggregate limit of \$175,000.

#### **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's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the city's financial position or results of operations.

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

In 2011, the city issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$900,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 7.

## CITY OF OAK CREEK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

#### NOTE IV – OTHER INFORMATION (cont.)

##### **C. COMMITMENTS AND CONTINGENCIES (cont.)**

Payments are scheduled through the year 2020, and carry an interest rate of 7%. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was \$900,000.

##### **D. OTHER POSTEMPLOYMENT BENEFITS**

The city administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides health insurance contributions for eligible retirees and their spouses through the city's group health insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses receive lifetime healthcare insurance at established contribution rates. The Retiree Health Plan does not issue a publicly available financial report.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the city and the unions. The city made health insurance contributions of 95% on behalf of all active employees and 0-40% on behalf of retirees for 2012.

The city's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the city's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the city's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$ 4,481,835
Interest on net OPEB obligation	679,102
Adjustment to annual required contribution	<u>(1,066,159)</u>
Annual OPEB cost	4,094,778
Contributions made	<u>(1,974,000)</u>
Increase in net OPEB obligation (Liability)	2,120,778
Net OPEB Obligation (Liability) – Beginning of Year	<u>20,895,446</u>
Net OPEB Obligation (Liability) – End of Year	<u><u>\$ 23,016,224</u></u>

## CITY OF OAK CREEK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

#### NOTE IV – OTHER INFORMATION (cont.)

##### **D. OTHER POSTEMPLOYMENT BENEFITS** (cont.)

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	\$ 4,094,778	48.2%	\$ 23,016,224
12/31/2011	8,414,671	21.8%	20,895,446
12/31/2010	8,096,390	22.1%	14,315,775

The funded status of the plan as of December 31, 2012, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 57,307,289
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 57,307,289</u>
Funded ratio (actuarial value of plan assets/AAL)	0 %
Covered payroll (active plan members)	\$ 17,194,475
UAAL as percentage of covered payroll	333.3%

The projection of future benefit for an ongoing plan involves estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

# CITY OF OAK CREEK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE IV – OTHER INFORMATION (cont.)

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#### **D. OTHER POSTEMPLOYMENT BENEFITS (cont.)**

In the December 31, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a four percent investment rate of return and an annual healthcare cost trend rate of 14.10 percent initially and reduced by decrements to an ultimate rate of 4.70 percent after seventy-two years. Both rates include assumptions for annual rates of medical inflation. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012, was 30 years.

#### **E. POWER GENERATING FACILITY MITIGATION REVENUE**

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

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

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

In 2012, the city received \$2,250,000.

#### **F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 61, The Financial Reporting Entity: Omnibus; Statement No. 65, Items Previously Reported as Assets and Liabilities; Statement No. 66, Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62; Statement No. 67, Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25; and Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27. Application of these standards may restate portions of these financial statements.

#### **G. SUBSEQUENT EVENTS**

In March 2013, the City issued \$5.825 million of General Obligation Refunding Bonds. The proceeds of these bonds will be used to refund the remaining balance on the General Obligation Promissory Notes, dated May 15, 2012.

In March 2013, the City issued \$3.0 million of General Obligation Promissory Notes. The proceeds of these notes will be used to finance construction projects.

In April 2013, the Water Utility issued \$2,598,203 of Waterworks System Revenue Bonds. The proceeds of these bonds will be used to finance the Water Treatment Plant Standby Electrical Generation project.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF OAK CREEK**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance with Final Budget
<b>TAXES</b>			
General property taxes	\$ 13,145,595	\$ 13,147,170	\$ 1,575
Motel room tax	400,000	400,000	-
Mobile home taxes	80,000	66,500	(13,500)
Other taxes	38,000	50,659	12,659
<b>TOTALS</b>	<u>13,663,595</u>	<u>13,664,329</u>	<u>734</u>
<b>INTERGOVERNMENTAL REVENUES</b>			
Shared taxes from state	2,898,600	2,911,243	12,643
State transportation aids	1,480,715	1,480,715	-
State computer aids	136,000	81,202	(54,798)
Other state aids	5,000	4,514	(486)
Police grants	123,580	126,104	2,524
Development CDBG grants	25,000	19,745	(5,255)
<b>TOTALS</b>	<u>4,668,895</u>	<u>4,623,523</u>	<u>(45,372)</u>
<b>REGULATION AND COMPLIANCE</b>			
Licenses			
Liquor and beer	32,650	31,696	(954)
Publishing fees	750	800	50
Operators	17,000	18,505	1,505
Amusement devices	6,000	10,125	4,125
Amusement operators	2,800	1,200	(1,600)
Electrical	4,500	4,230	(270)
Miscellaneous - business	8,000	10,710	2,710
Miscellaneous - non-business	100	56	(44)
DATCP	13,900	16,011	2,111
FSRL	44,200	43,014	(1,186)
Landfill	1,025	1,900	875
Permits			
Building	232,000	190,646	(41,354)
Electrical	70,000	56,108	(13,892)
Plumbing	55,000	41,342	(13,658)
Street opening	13,000	9,078	(3,922)
Erosion control	8,000	7,253	(747)
Sundry	400	1,915	1,515
Cable TV	360,000	364,514	4,514
AT&T video service	85,000	109,311	24,311
Court fines	428,000	381,681	(46,319)
<b>TOTALS</b>	<u>1,382,325</u>	<u>1,300,095</u>	<u>(82,230)</u>
<b>PUBLIC CHARGES FOR SERVICES</b>			
General Government			
Property status letter fees	4,500	6,120	1,620
Photo copies sold	2,000	1,234	(766)
Postage reimbursement	100	2	(98)
Zoning/housing appeal fees	500	750	250
Rezoning petitions and filing fees	1,000	775	(225)
Right of way vacation fees	-	575	575
Special use request fees	5,000	4,400	(600)
Filing fee - certified survey maps	4,500	7,775	3,275
Plan commission agenda fees	7,000	5,300	(1,700)

See independent auditors' report and accompanying notes to required supplementary information.

**CITY OF OAK CREEK**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (cont.)  
For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance with Final Budget
<b>PUBLIC CHARGES FOR SERVICES (cont.)</b>			
General Government (cont.)			
Subdivision plat fees	\$ 500	\$ -	\$ (500)
Maps sold	100	-	(100)
Public Safety			
State DWI seizures	1,600	3,474	1,874
Police patrol service fees	2,000	3,398	1,398
Miscellaneous fees	2,500	1,415	(1,085)
Copies of police and fire reports	2,200	3,683	1,483
False alarm penalties	2,500	5,650	3,150
Health and Sanitation			
Health Department			
Clinic fees	22,000	20,320	(1,680)
Pet license fees/Humane Society	15,000	14,831	(169)
Public Works			
Weed cutting	15,000	17,105	2,105
Sale of culvert pipe	10,000	6,835	(3,165)
Culvert installation	2,500	140	(2,360)
Library			
Other income	19,500	17,547	(1,953)
Photocopies	5,000	6,094	1,094
Recreation	160,000	187,260	27,260
Sanitarian			
Pre-inspection	-	10	10
Regular service fee	2,500	2,449	(51)
Miscellaneous charges for services	<u>2,100</u>	<u>4,840</u>	<u>2,740</u>
<b>TOTALS</b>	<u><b>289,600</b></u>	<u><b>321,982</b></u>	<u><b>32,382</b></u>
<b>INVESTMENT INCOME</b>			
Investment Income			
Investments	450,000	454,492	4,492
Taxes	<u>91,720</u>	<u>97,421</u>	<u>5,701</u>
<b>TOTALS</b>	<u><b>541,720</b></u>	<u><b>551,913</b></u>	<u><b>10,193</b></u>
<b>MISCELLANEOUS INCOME</b>			
Land rentals	290	100	(190)
T-Mobile lease	23,900	28,300	4,400
AT&T American tower lease	24,000	22,000	(2,000)
Verizon lease	25,500	25,537	37
Insurance incentives	60,000	69,171	9,171
Insurance recoveries	11,500	11,934	434
P-card rebates	6,535	8,060	1,525
Miscellaneous revenues	<u>5,000</u>	<u>25,956</u>	<u>20,956</u>
<b>TOTALS</b>	<u><b>156,725</b></u>	<u><b>191,058</b></u>	<u><b>34,333</b></u>
<b>INTERFUND CHARGES FOR SERVICES</b>			
Engineering and administration charged to capital projects	144,000	114,189	(29,811)
Engineering and administration charged to TID projects	25,000	87,842	62,842
Highway equipment service fee	20,000	112	(19,888)
Administrative services charged to enterprise funds	<u>45,000</u>	<u>45,000</u>	<u>-</u>
<b>TOTALS</b>	<u><b>234,000</b></u>	<u><b>247,143</b></u>	<u><b>13,143</b></u>
<b>TOTAL REVENUES</b>	<u><b>20,936,860</b></u>	<u><b>20,900,043</b></u>	<u><b>(36,817)</b></u>

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF OAK CREEK

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (cont.)  
For the Year Ended December 31, 2012

	Original and <u>Final Budget</u>	<u>Actual</u>	Variance with <u>Final Budget</u>
<b>GENERAL GOVERNMENT</b>			
General government	\$ 3,396,810	\$ 3,522,864	\$ (126,054)
Building maintenance	612,915	567,524	45,391
City administrator	247,685	244,950	2,735
Data processing	708,225	715,521	(7,296)
City clerk	252,250	233,479	18,771
Treasurer	221,015	219,019	1,996
Finance	311,895	306,436	5,459
Assessor	234,190	224,579	9,611
Attorney and legal	284,605	207,973	76,632
Community development	291,290	310,969	(19,679)
TOTALS	<u>6,560,880</u>	<u>6,553,314</u>	<u>7,566</u>
<b>PUBLIC SAFETY</b>			
Police department	8,672,930	8,701,935	(29,005)
Emergency operations	31,200	13,312	17,888
Fire department	1,333,135	1,404,595	(71,460)
Inspection	656,970	525,446	131,524
Other	177,985	162,325	15,660
TOTALS	<u>10,872,220</u>	<u>10,807,613</u>	<u>64,607</u>
<b>HEALTH AND SOCIAL SERVICES</b>			
Health department	657,950	545,060	112,890
TOTALS	<u>657,950</u>	<u>545,060</u>	<u>112,890</u>
<b>PUBLIC WORKS</b>			
Engineering	820,220	728,908	91,312
Streets	2,986,145	2,569,806	416,339
TOTALS	<u>3,806,365</u>	<u>3,298,714</u>	<u>507,651</u>
<b>LEISURE ACTIVITIES</b>			
Recreation	1,283,550	1,116,935	166,615
Library	852,980	813,477	39,503
TOTALS	<u>2,136,530</u>	<u>1,930,412</u>	<u>206,118</u>
<b>TOTAL EXPENDITURES</b>	<u>24,033,945</u>	<u>23,135,113</u>	<u>898,832</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of city equipment	10,000	17,865	7,865
Transfer in	292,100	-	(292,100)
Transfer in - tax equivalent	1,625,000	1,680,782	55,782
Transfer out	-	(165,408)	(165,408)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,927,100</u>	<u>1,533,239</u>	<u>(393,861)</u>
Net Change in Fund Balance	(1,169,985)	(701,831)	468,154
FUND BALANCE - Beginning of Year	<u>8,243,578</u>	<u>8,243,578</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,073,593</u>	<u>\$ 7,541,747</u>	<u>\$ 468,154</u>

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF OAK CREEK

### REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE EMERGENCY MEDICAL SERVICES FUND For the Year Ended December 31, 2012

	Original and <u>Final Budget</u>	<u>Actual</u>	Variance with <u>Final Budget</u>
<b>REVENUES</b>			
Taxes	\$ 3,551,590	\$ 3,551,590	\$ -
Intergovernmental	140,400	129,663	(10,737)
Public charges for services	1,066,500	966,515	(99,985)
Investment income	2,000	-	(2,000)
Miscellaneous	<u>-</u>	<u>101</u>	<u>101</u>
Total Revenues	<u>4,760,490</u>	<u>4,647,869</u>	<u>(112,621)</u>
<b>EXPENDITURES</b>			
Public Safety	<u>4,795,220</u>	<u>4,863,151</u>	<u>(67,931)</u>
Total Expenditures	<u>4,795,220</u>	<u>4,863,151</u>	<u>(67,931)</u>
Excess (deficiency) of revenues over expenditures	(34,730)	(215,282)	(180,552)
FUND BALANCE (Deficit) - Beginning of year	<u>(146,460)</u>	<u>(146,460)</u>	<u>-</u>
FUND BALANCE (Deficit) - ENDING OF YEAR	<u>\$ (181,190)</u>	<u>\$ (361,742)</u>	<u>\$ (180,552)</u>

See independent auditors' report and accompanying notes to required supplementary information.

**CITY OF OAK CREEK**

OTHER POST EMPLOYMENT BENEFITS PLAN - HEALTH CARE  
 SCHEDULE OF FUNDED STATUS  
 For the Year Ended December 31, 2012

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected unit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ -	\$ 57,307,289	\$ 57,307,289	0%	\$ 17,194,475	333.3%
12/31/10	-	89,231,880	89,231,880	0%	17,217,938	518.2%
12/31/08	-	65,760,686	65,760,686	0%	16,221,363	405.4%

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF OAK CREEK

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2012

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#### ***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.

#### ***FUNDING PROGRESS DATA***

The data presented in the Schedule of Funded Status was taken from the report issued by the actuary.

The significant changes in assumptions between the most current report issued by the actuary and the previous report includes a reduction in the interest discount rate from 4% to 3.25% and the elimination of post-65 insurance for employees active on January 1, 2012 or later.

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**SUPPLEMENTARY INFORMATION**

**CITY OF OAK CREEK**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
As of December 31, 2012

	Special Revenue Funds										
	Solid Waste Fund	Donation and Activity Fund	WE Energies Fund	Low Income Loan Fund	Park Escrow Fund	Special Assessment Fund	Economic Development Fund	Future Improvement Fund	Impact Fee Escrow Fund	Asset Forfeiture Fund	Storm Water Fund
<b>ASSETS</b>											
Cash and investments	\$ 229,327	\$ 323,164	\$ 989,411	\$ 10,717	\$ 478,574	\$ 1,330,428	\$ 269,117	\$ 580,817	\$ -	\$ -	\$ 442,753
Taxes receivable	1,362,185	-	-	-	-	279,265	-	-	-	-	704,802
Accounts receivable	87	15,069	-	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-	-	-	-
Special assessments receivable	-	-	-	-	-	1,289,005	-	-	-	-	-
Loans receivable	-	-	-	8,813	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	314,900	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-	1,376,372	35,457	-
<b>TOTAL ASSETS</b>	<b>\$ 1,591,599</b>	<b>\$ 338,233</b>	<b>\$ 989,411</b>	<b>\$ 19,530</b>	<b>\$ 478,574</b>	<b>\$ 2,898,698</b>	<b>\$ 584,017</b>	<b>\$ 580,817</b>	<b>\$ 1,376,372</b>	<b>\$ 35,457</b>	<b>\$ 1,147,555</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>Liabilities</b>											
Accounts payable	\$ 63,769	\$ 10,009	\$ 13,250	\$ 2,944	\$ -	\$ -	\$ -	\$ 5,966	\$ -	\$ -	\$ 2,122
Accrued liabilities	7,597	-	11,721	-	-	-	1,157	-	-	-	6,077
Deposits	-	-	-	-	-	-	-	574,851	-	-	-
Due to other funds	-	-	-	-	-	287,946	-	-	-	-	-
Deferred revenues	1,362,185	-	-	8,813	-	-	-	-	-	-	704,802
Deferred revenues - special assessments	-	-	-	-	-	1,279,019	-	-	-	-	-
<b>Total Liabilities</b>	<b>1,433,551</b>	<b>10,009</b>	<b>24,971</b>	<b>11,757</b>	<b>-</b>	<b>1,566,965</b>	<b>1,157</b>	<b>580,817</b>	<b>-</b>	<b>-</b>	<b>713,001</b>
<b>Fund Balances (Deficit)</b>											
Restricted	-	328,224	-	7,773	478,574	-	-	-	1,376,372	35,457	434,554
Committed	158,048	-	964,440	-	-	1,331,733	582,860	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>158,048</b>	<b>328,224</b>	<b>964,440</b>	<b>7,773</b>	<b>478,574</b>	<b>1,331,733</b>	<b>582,860</b>	<b>-</b>	<b>1,376,372</b>	<b>35,457</b>	<b>434,554</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,591,599</b>	<b>\$ 338,233</b>	<b>\$ 989,411</b>	<b>\$ 19,530</b>	<b>\$ 478,574</b>	<b>\$ 2,898,698</b>	<b>\$ 584,017</b>	<b>\$ 580,817</b>	<b>\$ 1,376,372</b>	<b>\$ 35,457</b>	<b>\$ 1,147,555</b>

**CITY OF OAK CREEK**  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (cont.)  
 As of December 31, 2012

	Debt Service Funds					Capital Projects Funds						Total Nonmajor Governmental Funds
	DPW Debt Service Fund	Debt Amortization Fund	TIF No. 4 Debt Service Fund	TIF No. 5 Debt Service Fund	TIF No. 6 Debt Service Fund	Developer Agreement Fund	TIF No. 7 Capital Projects Fund	TIF No. 8 Capital Projects Fund	TIF No. 9 Capital Projects Fund	TIF No. 10 Capital Projects Fund	TIF No. 11 Capital Projects Fund	
<b>ASSETS</b>												
Cash and investments	\$ 500	\$ 301,721	\$ -	\$ 324,931	\$ 511,403	\$ -	\$ 2,709,510	\$ -	\$ 61,615	\$ -	\$ -	\$ 8,563,988
Taxes receivable	-	-	512,072	115,339	585,977	-	363,870	88,917	88,455	647,703	-	4,748,585
Accounts receivable	-	-	-	-	-	22,394	-	-	-	52,288	-	89,838
Notes receivable	-	1,767,000	-	-	-	-	-	-	-	-	-	1,767,000
Interest receivable	-	148,989	-	-	-	-	-	-	-	-	-	148,989
Special assessments receivable	-	-	-	-	-	-	-	-	-	-	-	1,289,005
Loans receivable	-	-	-	-	-	-	-	-	-	-	-	8,813
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	314,900
Restricted cash and investments	-	-	-	-	-	-	-	-	-	-	-	1,411,829
<b>TOTAL ASSETS</b>	<b>\$ 500</b>	<b>\$ 2,217,710</b>	<b>\$ 512,072</b>	<b>\$ 440,270</b>	<b>\$ 1,097,380</b>	<b>\$ 22,394</b>	<b>\$ 3,073,380</b>	<b>\$ 88,917</b>	<b>\$ 150,070</b>	<b>\$ 699,991</b>	<b>\$ -</b>	<b>\$ 18,342,947</b>
<b>LIABILITIES AND FUND BALANCES</b>												
<b>Liabilities</b>												
Accounts payable	\$ -	\$ -	\$ 1,426	\$ -	\$ -	\$ 1,140	\$ 290,429	\$ 8,055	\$ -	\$ -	\$ 3,185	\$ 402,295
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	26,552
Deposits	-	-	-	-	-	-	-	-	-	-	-	574,851
Due to other funds	-	-	369,945	-	-	4,233	314,900	49,656	-	203,450	-	1,230,130
Deferred revenues	-	148,989	512,072	115,339	585,977	-	363,870	88,917	88,455	647,702	-	4,627,121
Deferred revenues - special assessments	-	-	-	-	-	-	-	-	-	-	-	1,279,019
<b>Total Liabilities</b>	<b>-</b>	<b>148,989</b>	<b>883,443</b>	<b>115,339</b>	<b>585,977</b>	<b>5,373</b>	<b>969,199</b>	<b>146,628</b>	<b>88,455</b>	<b>851,152</b>	<b>3,185</b>	<b>8,139,968</b>
<b>Fund Balances (Deficit)</b>												
Restricted	500	2,068,721	-	324,931	511,403	17,021	2,104,181	-	61,615	-	-	7,749,326
Committed	-	-	-	-	-	-	-	-	-	-	-	3,037,081
Unassigned (Deficit)	-	-	(371,371)	-	-	-	-	(57,711)	-	(151,161)	(3,185)	(583,428)
<b>Total Fund Balances (Deficit)</b>	<b>500</b>	<b>2,068,721</b>	<b>(371,371)</b>	<b>324,931</b>	<b>511,403</b>	<b>17,021</b>	<b>2,104,181</b>	<b>(57,711)</b>	<b>61,615</b>	<b>(151,161)</b>	<b>(3,185)</b>	<b>10,202,979</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 500</b>	<b>\$ 2,217,710</b>	<b>\$ 512,072</b>	<b>\$ 440,270</b>	<b>\$ 1,097,380</b>	<b>\$ 22,394</b>	<b>\$ 3,073,380</b>	<b>\$ 88,917</b>	<b>\$ 150,070</b>	<b>\$ 699,991</b>	<b>\$ -</b>	<b>\$ 18,342,947</b>

**CITY OF OAK CREEK**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2012

	Special Revenue Funds									
	Solid Waste Fund	Donation and Activity Fund	WE Energies Fund	Low Income Loan Fund	Park Escrow Fund	Special Assessment Fund	Economic Development Fund	Impact Fee Escrow Fund	Asset Forfeiture Fund	Storm Water Fund
<b>REVENUES</b>										
Taxes	\$ 1,362,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,862	\$ -	\$ -	\$ -
Intergovernmental	94,460	105,076	-	-	-	-	30,000	-	-	-
Public charges for service	6,385	-	-	-	1,750	-	-	159,946	-	703,803
Special assessments / developer contributions	-	-	-	-	-	230,167	-	-	-	-
Investment income	105	-	1,816	2,944	1,001	100,029	298	2,881	28	514
Miscellaneous	47,242	181,097	2,250,000	-	-	-	2,990	-	18,162	-
<b>Total Revenues</b>	<b>1,510,377</b>	<b>286,173</b>	<b>2,251,816</b>	<b>2,944</b>	<b>2,751</b>	<b>330,196</b>	<b>189,150</b>	<b>162,827</b>	<b>18,190</b>	<b>704,317</b>
<b>EXPENDITURES</b>										
Current										
Public Safety	-	34,321	1,124,838	-	-	-	-	798	2,829	-
Public works	1,387,260	-	-	-	-	-	-	-	-	451,828
Health and human services	-	71,177	-	-	-	-	-	-	-	-
Leisure activities	-	170,628	-	-	-	-	-	1,331	-	-
Conservation and development	-	-	-	2,944	-	-	115,428	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,387,260</b>	<b>276,126</b>	<b>1,124,838</b>	<b>2,944</b>	<b>-</b>	<b>-</b>	<b>115,428</b>	<b>2,129</b>	<b>2,829</b>	<b>451,828</b>
Excess (deficiency) of revenues over expenditures	123,117	10,047	1,126,978	-	2,751	330,196	73,722	160,698	15,361	252,489
<b>OTHER FINANCING SOURCES (USES)</b>										
Sale of property	-	-	-	-	-	-	-	-	-	-
General obligation debt issued	-	-	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	165,408	-	-	-	-	-	-	-	-
Transfers out	-	-	(1,000,000)	-	-	(75,000)	-	(919,371)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>165,408</b>	<b>(1,000,000)</b>	<b>-</b>	<b>-</b>	<b>(75,000)</b>	<b>-</b>	<b>(919,371)</b>	<b>-</b>	<b>-</b>
Net change in fund balances	123,117	175,455	126,978	-	2,751	255,196	73,722	(758,673)	15,361	252,489
<b>FUND BALANCES (DEFICIT) - Beginning of Year</b>	<b>34,931</b>	<b>152,769</b>	<b>837,462</b>	<b>7,773</b>	<b>475,823</b>	<b>1,076,537</b>	<b>509,138</b>	<b>2,135,045</b>	<b>20,096</b>	<b>182,065</b>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<b>\$ 158,048</b>	<b>\$ 328,224</b>	<b>\$ 964,440</b>	<b>\$ 7,773</b>	<b>\$ 478,574</b>	<b>\$ 1,331,733</b>	<b>\$ 582,860</b>	<b>\$ 1,376,372</b>	<b>\$ 35,457</b>	<b>\$ 434,554</b>

**CITY OF OAK CREEK**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (Cont.)  
For the Year Ended December 31, 2012

	Debt Service Funds					Capital Projects Funds						Total Nonmajor Governmental Funds
	DPW Debt Service Fund	Debt Amortization Fund	TIF No. 4 Debt Service Fund	TIF No. 5 Debt Service Fund	TIF No. 6 Debt Service Fund	Developer Agreements Fund	TIF No. 7 Capital Projects Fund	TIF No. 8 Capital Projects Fund	TIF No. 9 Capital Projects Fund	TIF No. 10 Capital Projects Fund	TIF No. 11 Capital Projects Fund	
<b>REVENUES</b>												
Taxes	\$ -	\$ -	\$ 258,911	\$ 113,882	\$ 254,219	\$ -	\$ 51,247	\$ 56,879	\$ 22,015	\$ 7,919	\$ -	\$ 2,283,119
Intergovernmental	-	3,283,442	2,940	1,447	903	-	28,316	5,856	1,882	66,262	-	3,620,584
Public charges for service	-	-	-	-	-	-	-	-	-	-	-	871,884
Special assessments / developer contributions	-	-	72,653	-	-	201,801	-	-	-	52,288	-	556,909
Investment income	-	6,943	75	134	232	-	3,494	-	98	-	-	120,592
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	2,499,491
Total Revenues	-	3,290,385	334,579	115,463	255,354	201,801	83,057	62,735	23,995	126,469	-	9,952,579
<b>EXPENDITURES</b>												
Current												
Public Safety	-	-	-	-	-	-	-	-	-	-	-	1,162,786
Public works	-	-	-	-	-	-	-	-	-	-	-	1,839,088
Health and human services	-	-	-	-	-	-	-	-	-	-	-	71,177
Leisure activities	-	-	-	-	-	-	-	-	-	-	-	171,959
Conservation and development	-	-	300,000	-	-	-	-	-	-	190,219	-	608,591
Capital Outlay	-	-	-	-	-	205,546	2,378,987	15,163	150	-	3,185	2,603,031
Debt Service												
Principal	250,000	-	360,000	-	125,000	-	-	-	-	-	-	735,000
Interest	247,125	-	38,888	150	31,294	-	-	-	-	-	-	317,457
Total Expenditures	497,125	-	698,888	150	156,294	205,546	2,378,987	15,163	150	190,219	3,185	7,509,089
Excess (deficiency) of revenues over expenditures	(497,125)	3,290,385	(364,309)	115,313	99,060	(3,745)	(2,295,930)	47,572	23,845	(63,750)	(3,185)	2,443,490
<b>OTHER FINANCING SOURCES (USES)</b>												
Sale of property	-	470,500	-	-	-	-	-	-	-	-	-	470,500
General obligation debt issued	-	-	-	-	-	-	4,600,000	-	-	-	-	4,600,000
Premium on debt	-	-	-	-	-	-	41,578	-	-	-	-	41,578
Transfers in	497,125	-	-	-	-	-	-	-	-	-	-	662,533
Transfers out	-	(3,275,125)	-	-	-	-	-	-	-	-	-	(5,269,496)
Total Other Financing Sources (Uses)	497,125	(2,804,625)	-	-	-	-	4,641,578	-	-	-	-	505,115
Net change in fund balances	-	485,760	(364,309)	115,313	99,060	(3,745)	2,345,648	47,572	23,845	(63,750)	(3,185)	2,948,605
FUND BALANCES (DEFICIT) - Beginning of Year	500	1,582,961	(7,062)	209,618	412,343	20,766	(241,467)	(105,283)	37,770	(87,411)	-	7,254,374
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 500	\$ 2,068,721	\$ (371,371)	\$ 324,931	\$ 511,403	\$ 17,021	\$ 2,104,181	\$ (57,711)	\$ 61,615	\$ (151,161)	\$ (3,185)	\$ 10,202,979