

CITY OF OAK CREEK
Oak Creek, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2015

CITY OF OAK CREEK

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CITY OF OAK CREEK

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oak Creek, Wisconsin, as of and for the year ended December 31, 2015, 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. 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, 2015 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. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
July 29, 2016



CITY OF OAK CREEK

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

(Unaudited)

As management of the City of Oak Creek, we offer readers of the City of Oak Creek's financial statements this narrative overview and analysis of the financial activities of the City of Oak Creek for the fiscal year ended December 31, 2015. This analysis is designed to provide an overview of the City's financial activity, identify changes in the City's financial position, identify significant deviations from the approved budget, and identify individual fund issues or concerns.

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

FINANCIAL HIGHLIGHTS

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

Combined governmental and business-type activities net position increased by 6.2% in 2015, to \$185.1 million. This increase included a restatement of net position in the amount of \$8.0 million for the implementation of GASB Statement No. 68 and GASB Statement No. 71. Of this amount, \$170.4 million represents the City's net investment in capital assets, \$6.2 million in unrestricted net position as a deficit, while \$20.9 million was held for restricted purposes relating to debt service, TIF activities, impact fees, park escrow and pension.

At the end of 2015, the City's governmental activities reported total net position of \$73.7 million, and total net position of \$111.5 million in the Business type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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



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

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

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

Government-wide Statements

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

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

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

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

Fund Financial Statements

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



The City has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table summarizes the City's statements of net position from both the prior and current year. An analysis of major components of this statement and comparison between the years is found following the table. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the City as a whole.

Net position. The City's combined net position increased by \$10.8 million from fiscal year 2014 to 2015, a change of 6.2%; this increase was comprised of a government-activities decrease of \$1.7 million, a business-type activities increase of \$4.5 million, plus a restatement of beginning net position of \$8.0 million. (See Table 1) The City's governmental activities and business-type activities are approximately 40% and 60%, respectively, of the combined net position.

Total net position of the City's governmental activities increased to \$73.7 million, an increase of 8.2% from its 2014 net position before the restatement. The City's net investment in capital assets represents 106.8% of the total. The governmental activities (City) makes the capital expenses for infrastructure throughout the City and the business activities record the infrastructure as an asset. Restricted net position of \$19.4 million represents 26.3% of the total. Unrestricted net position deficit of \$24.4 million represents (-33.1%) of the total.

Total net position of the City's business-type activities increased by 5.0% to \$111.5 million, including unrestricted net position of \$16.1 million, representing 14.5% of the total. All government and business type activities are self-supporting entities; net position of one entity is not permanently used by other entities.



Table 1
 City of Oak Creek, Wisconsin
 2015 and 2014 Net Position (in millions of dollars)

	Governmental		Business-type		Totals	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Current and other assets	62.0	96.1	21.3	22.2	83.3	118.3
Capital assets	157.5	120.2	113.6	108.4	271.1	228.6
Total assets	219.5	216.3	134.9	130.6	354.4	346.9
Deferred charge on refunding	0.0	0.0	0.1	0.2	0.1	0.2
Deferred amount related to pensions	3.7	0.0	0.4	0.0	4.1	0.0
Total deferred outflows of resources	3.7	0.0	0.5	0.2	4.2	0.2
Long-term debt outstanding	119.8	117.2	22.5	22.9	142.3	140.1
Other liabilities	7.1	9.2	1.4	1.7	8.5	10.9
Total liabilities	126.9	126.4	23.9	24.6	150.8	151.0
Unearned revenue	22.7	21.8	0.0	0.0	22.7	21.8
Total deferred inflows of resources	22.7	21.8	0.0	0.0	22.7	21.8
Net position:						
Net investment in capital assets	78.7	52.8	93.8	86.7	170.4	139.5
Restricted	19.4	32.1	1.5	1.6	20.9	33.7
Unrestricted	-24.4	-16.8	16.1	17.9	-6.2	1.1
Total net position - end of year	73.7	68.1	111.4	106.2	185.1	174.3
Net position - beginning of year	75.4	69.5	106.9	104.4	182.3	173.9
Change in net position	-1.7	-1.4	4.5	1.8	2.8	0.4
Percent change in net position	-2.3%	-2.0%	4.2%	1.7%	1.5%	0.2%

Change in combined net position.

The City had combined total revenues of \$60.4 million in 2015 and combined total expenses of \$57.6 million. After transfers, governmental activities had a decrease in net position of \$1.7 million, while business-type activities had an increase in net position of \$4.5 million. Table 2 and the following narrative consider the operations of governmental and business-type activities separately. As noted, the City implemented GASB Statements Nos. 68 and 71 effective January 1, 2015. Therefore the City has restated beginning net position related to the implementation. The City's 2014 comparative data as presented in this Management's Discussion and Analysis has not been restated.



Table 2
City of Oak Creek, Wisconsin

2015 and 2014 Changes in Net Position (in millions of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues						
Charges for service	4.7	4.6	14.3	13.7	19.0	18.3
Operating grants & contributions	2.4	2.2	-	-	2.4	2.2
Capital contributions	4.5	1.5	2.4	0.1	6.9	1.6
General Revenues						
Taxes	22.1	21.6	-	-	22.1	21.6
Intergovernmental	6.6	6.4	-	-	6.6	6.4
Other	3.3	4.3	0.1	0.3	3.4	4.6
Total Revenues	43.6	40.6	16.8	14.1	60.4	54.7
Expenses:						
General government	3.9	6.5	-	-	3.9	6.5
Public safety	15.9	16.8	-	-	15.9	16.8
Health and social services	1.1	0.6	-	-	1.1	0.6
Public works	10.1	9.9	-	-	10.1	9.9
Leisure activities	0.6	2.1	-	-	0.6	2.1
Conservation & development	10.9	5.8	-	-	10.9	5.8
Interest and fiscal charges	2.5	1.9	-	-	2.5	1.9
Water	-	-	9.1	7.2	9.1	7.2
Sewer	-	-	3.5	3.5	3.5	3.5
Total Expenses	45.0	43.6	12.6	10.7	57.6	54.3
Excess/(Deficiency) before transfers:	-1.4	-3.0	4.2	3.4	2.8	0.4
Transfers	-0.3	1.6	0.3	-1.6	-	-
Change in Net Position	-1.7	-1.4	4.5	1.8	2.8	0.4
Beginning Net Position	75.4	69.5	106.9	104.4	182.3	173.9
ENDING NET POSITION	73.7	68.1	111.4	106.2	185.1	174.3

Governmental Activities

The City of Oak Creek received a total of \$43.6 million in governmental activities revenues in 2015, up \$3.0 million when compared to 2014 revenues. As Table 2 indicates, the largest revenue source is the property tax, which accounts for \$22.1 million, or 50.7% of all governmental revenues, down from 53.1% in 2014. Property tax revenue in 2015 was virtually flat when compared to 2014 levels. Increase in tax revenue was due to net new construction of 1.21% resulting in increased values and \$127,851 of new taxes outside the City's Tax incremental districts. As of this writing, the Legislature of the State of Wisconsin has imposed a permanent levy freeze, with the exception of new growth.

The next largest category of revenues is intergovernmental revenue with \$6.6 million (15.1%), followed by public charges for service of \$4.7 million (10.8%), and capital contribution for \$4.5 million (10.3%). Investment income and miscellaneous revenues account for \$3.3 million (7.6%), and operating grants and contributions account for \$2.4 million (5.5%).

Total governmental activities expenses were \$45.0 million in 2015, which exceeded revenues by \$1.4 million. At \$15.9 million, public safety, including police, EMS, inspection and fire services, accounts for the largest share of City expenses at 35.3%. This is followed by conservation and development with \$10.9 or 24.2%, and public works with \$10.1 million, representing 22.5%. General government group, at \$3.9 million, is next with 8.7%, health/social services with \$1.1 million (2.4%), and leisure activities at \$0.6 million (1.3%) complete the activities. Payments of interest and fiscal charges in the amount of \$2.5 million, accounts for 5.6% of total governmental activities expenses.

Business-type Activities

The City of Oak Creek received \$16.8 million in business-type activities revenue during 2015 from its water and sewer utilities. Charges for services are by far the largest revenue sources for these operations, representing \$14.3 million of non-capital contribution revenues. Capital grants and contributions received were \$2.4 million in 2015, with interest and miscellaneous income accounting for the balance of revenues of \$0.1 million.

Net position of the City of Oak Creek's water and sewer utilities increased by \$4.5 million in 2015, which represents a 4.2% increase over the prior year's net position.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues,

Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twenty five individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, EMS Fund, Debt Service Fund, Debt Amortization Fund, Capital Improvement Fund, TIF 8 and TIF 11, all of which are considered to be major funds. Data from the other eighteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* at the end of this report.

At the end of 2015, the combined fund balances for the City's governmental funds was \$26.2 million. Of this total, \$1.5 million is nonspendable, \$16.2 million is restricted, \$3.1 million is committed and \$2.6 is assigned. The balance of unassigned governmental fund balances is \$2.8 million. These funds are allocated across the following areas:

Unassigned Fund Balances (deficit):	
General Fund	\$ 4.4
TIF No. 8 Capital Project Fund	(1.0)
TIF No. 4 Debt Service Fund	(0.3)
Consolidated Dispatch Services Fund	(0.2)
Developer Agreement Fund	(0.1)
Total	<u>\$ 2.8</u>

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

- Total fund balance as of December 31, 2015 was \$7.6 million, of which \$1.7 million was assigned. Included in the assigned amount are tax equivalent dollars to be paid by the utility in 2016, and \$1.5 million is nonspendable which includes minor amounts for delinquent personal property taxes, non-current receivables and inventories.
- Unassigned fund balance decreased from 2014 to \$4.4 million. The unassigned fund balance is now approximately 19% of the general fund 2015 actual revenues and other financing sources; this is within the City's policy target range of 15-25% for the purposes of cash flow, stabilization, and emergency reserves.

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

- Total fund balance as of December 31, 2015 increased from a deficit balance of \$0.2 million to a fund balance \$0.1 million.
- Total revenues for 2015 were \$4.8 million, which included \$3.6 million from taxes and \$1.1 million from public charges for services.
- Total expenditures for the year were \$4.5 million.

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

- Total fund balance at the end of the year was \$.9 million, a decrease of \$20.7 million from 2014 due to the spending of bond proceeds from the prior year.
- Revenue sources provided \$.5 million.



- Expenditures in this fund totaled \$28.3 million in 2015. The largest expenses included the City Hall/Library and Fire Station project costs and capital equipment purchases.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The City ended the year with a favorable variance in general fund revenues and favorable variance in expenditures. Revenues and other financing sources were above budget projections by approximately \$82,000, while expenditures and other financing uses were under budget by \$31,000. The expenditure outcome relates mainly to vacancies across the Police, Fire, Health, and IT departments.

On the revenue side, conservative budgeting kept all categories quite close to budget. Year over year revenues were mostly stagnant, but the City continued to see increased construction activity resulting in \$290,149 in excess of the budgeted permit revenue. The short-term revenue outlook is stable with the exception of planned growth in the next two years. The state approved legislation will continue to limit taxation to growth alone and short-term interest rates are anticipated to remain at near all-time lows.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2015, the City reported a combined investment in capital assets of \$271.1 million. Of this amount, \$157.5 million, or 58.1%, is attributable to governmental activities, with the assets related to the City's land, buildings, equipment and street network. Total accumulated depreciation for both governmental and business type activities was calculated at \$90.4 million.

In 2015, capital assets of governmental activities increased by \$37.3 million. Capital assets of business type activities increased by \$5.2 million, with water pumping assets representing the majority of the increase.

Table 3
City of Oak Creek, Wisconsin

**2015 and 2014 Capital Asset
Net of Accumulated Depreciation (in millions of dollars)**

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land and improvements	25.5	24.2	0.3	0.1	25.8	24.3
Construction in progress	28.5	24.2	1.3	3.2	29.8	27.4
Buildings	38.5	15.8	-	-	38.5	15.8
Machinery and equipment	8.0	6.2	112.0	105.1	120.0	111.3
Infrastructure	57.0	49.8	-	-	57.0	49.8
Total	157.5	120.2	113.6	108.4	271.1	228.6



Long-term Debt

At year-end, the governmental activities had \$90.1 million in general obligation bonds and promissory notes, an increase of \$0.7 million from last year. This was due to public improvements and infrastructure in the Civic Center, Drexel Town Square, and Oak View Business Park. At the end of 2015, the business-type activities had a total of \$19.7 million in outstanding revenue bonds and general obligation debt. The City's general obligation bonds are rated Aa2 by Moody's Investors Service, which has also rated the City's short term notes with a MIG1 rating. Revenue bonds of the water & sewer utilities are rated Aa2.

State law limits the City to issuing general obligation bonds totaling no more than 5% of the City's equalized value. Based on the 2015 equalized value, this limit is \$150.2 million. The City currently has a combined total of \$90.1 million of general obligation notes and bonds outstanding, representing 60.0% of its legal debt capacity.

Table 4
City of Oak Creek, Wisconsin

2015 and 2014 Outstanding Debt (in millions of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
	General obligation debt	90.1	89.1	-	-	90.1
Capital appreciation bonds	-	0.3	-	-	-	0.3
Revenue debt	-	-	19.7	21.9	19.7	21.9
Totals	90.1	89.4	19.7	21.9	109.8	111.3

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Oak Creek is located in southeastern Milwaukee County, and is one of only two municipalities in Milwaukee County with numerous tracts of vacant land. This location and land availability has contributed to the City's rapid growth and strong economic position. The local economy has picked up over the last few years with growth expected to continue in 2016 at Drexel Town Square, Oak View Business Park, and Lake Vista as well as other locations throughout the City. While the City has experienced growth within the TIF districts, the development is spurring activity outside of the districts as well. The City has had an increase in multi-family development accordingly.

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

	Estimated 2015	Estimated 2014	Estimated 2013	Estimated 2012	Census 2010
City of Oak Creek	34,791	34,707	34,695	34,530	34,495
Milwaukee County	949,795	949,741	950,410	948,322	948,369
State of Wisconsin	5,753,324	5,732,981	5,717,100	5,694,236	5,694,236

Total New Construction Building Permits			Total Residential Building Permits		
Year	Number	Value	Number	Value	
2015	57	\$240,162,746	28	\$7,691,665	



OAKCREEK
— WISCONSIN —

The Oak Creek City Council adopted the 2016 budget in November of 2015, which authorized general fund expenditures of \$23.3 million, a .1% increase from 2015. The combined general fund and debt service property tax levy is \$13.7 million, an increase of \$227,000 from 2015 due to new construction. The mill rate for City services decreased by \$.12 in 2015, due entirely to the slight increase in property values. The total tax levy has remained essentially at the same level since 2005, with any increase limited to the amount generated by new growth to the tax base.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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CITY OF OAK CREEK

STATEMENT OF NET POSITION

As of December 31, 2015

	Governmental Activities	Business- type Activities	Totals
ASSETS			
Cash and investments	\$ 27,338,856	\$ 18,184,641	\$ 45,523,497
Taxes receivable	23,294,743	-	23,294,743
Delinquent personal property taxes receivable	17,111	-	17,111
Accounts receivable	3,542,893	2,874,672	6,417,565
Special assessments receivable	875,106	-	875,106
Loans receivable	6,503	-	6,503
Interest receivable	4,286	-	4,286
Other assets	-	5,000	5,000
Internal balances	1,344,393	(1,344,393)	-
Prepaid items and inventories	72,278	69,458	141,736
Restricted Assets			
Cash and investments	1,977,384	1,165,497	3,142,881
Net pension asset	3,562,588	378,994	3,941,582
Capital Assets			
Land and land rights	24,842,570	268,469	25,111,039
Construction in progress	28,546,451	1,267,742	29,814,193
Other capital assets, net of depreciation	104,087,408	112,025,911	216,113,319
Total Assets	<u>219,512,570</u>	<u>134,895,991</u>	<u>354,408,561</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	104,386	104,386
Deferred amount related to pensions	3,717,189	392,672	4,109,861
Total Deferred Outflows of Resources	<u>3,717,189</u>	<u>497,058</u>	<u>4,214,247</u>
LIABILITIES			
Accounts payable and accrued liabilities	6,607,665	1,343,997	7,951,662
Deposits	478,427	-	478,427
Unearned revenue	27,600	31,932	59,532
Noncurrent Liabilities			
Due within one year	27,178,466	1,983,156	29,161,622
Due in more than one year	92,609,527	20,550,343	113,159,870
Total Liabilities	<u>126,901,685</u>	<u>23,909,428</u>	<u>150,811,113</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	22,662,023	-	22,662,023
Total Deferred Inflows of Resources	<u>22,662,023</u>	<u>-</u>	<u>22,662,023</u>
NET POSITION			
Net investment in capital assets	78,690,819	93,832,198	170,430,452
Restricted for debt service	6,673,932	1,135,377	7,809,309
Restricted for TID activity	5,770,537	-	5,770,537
Restricted for impact fees	2,352,102	-	2,352,102
Restricted for park escrow	250,879	-	250,879
Restricted for pensions	3,562,588	378,994	3,941,582
Restricted for other purposes	752,328	-	752,328
Unrestricted (deficit)	<u>(24,387,134)</u>	<u>16,137,052</u>	<u>(6,157,517)</u>
TOTAL NET POSITION	<u>\$ 73,666,051</u>	<u>\$ 111,483,621</u>	<u>\$ 185,149,672</u>

See accompanying notes to financial statements.

CITY OF OAK CREEK

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

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
Governmental Activities							
General government	\$ 3,864,394	\$ 1,303,623	\$ 29,744	\$ 4,663	\$ (2,526,364)	\$ -	\$ (2,526,364)
Public safety	15,909,379	2,247,311	279,473	717,513	(12,665,082)	-	(12,665,082)
Health and social services	1,106,044	15,066	63,268	-	(1,027,710)	-	(1,027,710)
Public works	10,082,521	977,995	2,006,885	1,354,016	(5,743,625)	-	(5,743,625)
Leisure activities	643,953	140,868	-	33,221	(469,864)	-	(469,864)
Conservation and development	10,928,912	1,769	-	2,436,708	(8,490,435)	-	(8,490,435)
Interest and fiscal charges	2,461,187	-	-	-	(2,461,187)	-	(2,461,187)
Total Governmental Activities	44,996,390	4,686,632	2,379,370	4,546,121	(33,384,267)	-	(33,384,267)
Business-type Activities							
Water utility	9,063,393	10,712,064	-	2,390,231	-	4,038,902	4,038,902
Sewer utility	3,549,026	3,639,755	-	-	-	90,729	90,729
Total Business-type Activities	12,612,419	14,351,819	-	2,390,231	-	4,129,631	4,129,631
Totals	\$ 57,608,809	\$ 19,038,451	\$ 2,379,370	\$ 6,936,352	(33,384,267)	4,129,631	(29,254,636)
General Revenues							
Taxes							
Property taxes, levied for general purposes					18,479,408	-	18,479,408
Property taxes, levied for debt service					1,914,254	-	1,914,254
Property taxes, levied for tax incremental districts					706,639	-	706,639
Other taxes					983,889	-	983,889
Intergovernmental revenues not restricted to specific programs					6,599,526	-	6,599,526
Investment income					505,517	90,252	595,769
Miscellaneous					2,775,278	785	2,776,063
Transfers					(283,090)	283,090	-
Total General Revenues and Transfers					31,681,421	374,127	32,055,548
Change in Net Position					(1,702,846)	4,503,758	2,800,912
NET POSITION - Beginning of Year (As Restated)					75,368,897	106,979,863	182,348,760
NET POSITION - END OF YEAR					\$ 73,666,051	\$ 111,483,621	\$ 185,149,672

See accompanying notes to financial statements.

CITY OF OAK CREEK

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2015

	General	Emergency Medical Services Fund	Debt Service Fund	Debt Amortization Fund	Capital Improvement Fund	TIF No. 8 Capital Projects Fund	TIF No. 11 Capital Projects Fund	Nonmajor Governmental Funds	Totals
ASSETS									
Cash and investments	\$ 4,025,295	\$ 43,080	\$ 1,163,086	\$ 4,482,185	\$ 3,504,972	\$ -	\$ 3,304,585	\$ 8,759,602	\$ 25,282,805
Receivables									
Taxes	13,248,850	3,589,590	850,000	-	-	247,376	564,852	4,794,074	23,294,742
Delinquent personal property taxes	17,111	-	-	-	-	-	-	-	17,111
Accounts	525,935	187,612	-	-	353,368	669,731	1,112,424	578,353	3,427,423
Interest receivable	4,286	-	-	-	-	-	-	-	4,286
Special assessments	-	-	-	-	-	-	-	875,106	875,106
Loans	-	-	-	-	-	-	-	6,503	6,503
Due from other funds	4,450,547	-	-	-	-	-	-	314,900	4,765,447
Inventories	72,278	-	-	-	-	-	-	-	72,278
Restricted cash and investments	-	-	-	-	-	-	-	1,977,384	1,977,384
TOTAL ASSETS	\$ 22,344,302	\$ 3,820,282	\$ 2,013,086	\$ 4,482,185	\$ 3,858,340	\$ 917,107	\$ 4,981,861	\$ 17,305,922	\$ 59,723,085
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities									
Accounts payable	\$ 493,026	\$ 22,806	\$ -	\$ -	\$ 2,392,145	\$ -	\$ 4,342	\$ 904,286	\$ 3,816,605
Accrued liabilities	860,087	95,648	-	-	544,422	-	-	67,354	1,567,511
Deposits	88,460	-	-	-	-	-	-	389,967	478,427
Due to other funds	457,230	-	-	-	15,782	1,556,853	4,956	1,386,233	3,421,054
Unearned revenues	27,600	-	-	-	-	-	-	-	27,600
Total Liabilities	1,926,403	118,454	-	-	2,952,349	1,556,853	9,298	2,747,840	9,311,197
Deferred Inflows of Resources									
Unearned revenues	12,821,854	3,589,590	850,000	-	-	247,376	564,852	4,588,351	22,662,023
Unavailable revenues	-	7,085	-	-	-	159,871	615,243	737,600	1,519,799
Total Deferred inflows of Resources	12,821,854	3,596,675	850,000	-	-	407,247	1,180,095	5,325,951	24,181,822
Fund Balances									
Nonspendable	1,525,608	-	-	-	-	-	-	-	1,525,608
Restricted	-	-	1,163,086	4,482,185	-	-	3,792,468	6,756,392	16,194,131
Committed	-	105,153	-	-	-	-	-	2,975,333	3,080,486
Assigned	1,719,547	-	-	-	905,991	-	-	-	2,625,538
Unassigned (deficit)	4,350,890	-	-	-	-	(1,046,993)	-	(499,594)	2,804,303
Total Fund Balances	7,596,045	105,153	1,163,086	4,482,185	905,991	(1,046,993)	3,792,468	9,232,131	26,230,066
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 22,344,302	\$ 3,820,282	\$ 2,013,086	\$ 4,482,185	\$ 3,858,340	\$ 917,107	\$ 4,981,861	\$ 17,305,922	\$ 59,723,085

CITY OF OAK CREEK

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION For the Year Ended December 31, 2015

Fund balance - total governmental funds	\$ 26,230,066
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	24,842,570
Construction in progress	28,546,451
Other capital assets, net of depreciation	104,087,408
Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	
Special assessments	731,097
Accounts receivable	782,199
Loans receivable	6,503
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.	
	1,342,326
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	
	3,562,588
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	
	3,717,189
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	(90,105,000)
Unamortized debt premium	(1,189,113)
Unfunded OPEB liability	(27,153,997)
Compensated absences	(1,339,883)
Accrued interest	<u>(394,353)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 73,666,051</u>

CITY OF OAK CREEK

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	General	Emergency Medical Services Fund	Debt Service Fund	Debt Amortization Fund	Capital Improvement Fund	TIF No. 8 Capital Projects Fund	TIF No. 11 Capital Projects Fund	Nonmajor Governmental Funds	Totals
REVENUES									
Taxes	\$ 13,130,408	\$ 3,551,590	\$ 850,000	\$ -	\$ -	\$ 164,289	\$ 21,076	\$ 4,366,827	\$ 22,084,190
Intergovernmental	5,225,738	134,419	-	3,151,578	473,953	804,814	497,183	469,086	10,756,771
Regulation and compliance	1,860,679	-	-	-	-	-	-	-	1,860,679
Public charges for services	291,398	1,075,850	-	-	-	-	-	1,894,070	3,261,318
Special assessments/developer contributions	-	-	-	-	-	-	-	-	211,006
Investment income	177,895	903	27,617	5,445	-	1,762	20,403	68,723	302,748
Miscellaneous	293,782	1,643	-	-	69,028	-	-	2,471,597	2,836,050
Interfund charges for services	241,085	-	-	-	-	-	-	-	241,085
Total Revenues	<u>21,220,985</u>	<u>4,764,405</u>	<u>877,617</u>	<u>3,157,023</u>	<u>542,981</u>	<u>970,865</u>	<u>538,662</u>	<u>9,481,309</u>	<u>41,553,847</u>
EXPENDITURES									
Current									
General government	5,995,906	-	-	-	-	-	-	12,491	6,008,397
Public safety	10,046,212	4,461,774	-	-	-	-	-	1,090,471	15,598,457
Health and social services	500,080	-	-	-	-	-	-	91,100	591,180
Public works	3,598,761	-	-	-	-	-	-	3,401,706	7,277,800
Leisure activities	1,862,986	-	-	-	-	-	277,333	277,266	2,140,252
Conservation and development	-	-	-	-	-	705,042	5,300,000	665,476	6,670,518
Capital Outlay	-	-	-	-	28,335,015	2,206,572	9,897,428	872,091	41,311,106
Debt Service	-	-	27,350,000	-	-	10,525,000	-	510,000	38,385,000
Principal retirement	-	-	1,830,982	-	-	174,661	564,893	30,068	2,600,604
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>22,003,945</u>	<u>4,461,774</u>	<u>29,180,982</u>	<u>-</u>	<u>28,335,015</u>	<u>13,611,275</u>	<u>16,039,654</u>	<u>6,950,669</u>	<u>120,583,314</u>
Excess (deficiency) of revenues over expenditures	<u>(782,960)</u>	<u>302,631</u>	<u>(28,303,365)</u>	<u>3,157,023</u>	<u>(27,792,034)</u>	<u>(12,640,410)</u>	<u>(15,500,992)</u>	<u>2,530,640</u>	<u>(79,029,467)</u>
OTHER FINANCING SOURCES (USES)									
Long-term debt issued	-	-	-	-	-	10,500,000	8,900,000	-	19,400,000
Refunding debt issued	-	-	19,650,000	-	-	-	-	-	19,650,000
Premium on debt	-	-	850,000	-	-	25,000	13,000	-	888,000
Sale of property	13,767	-	-	-	-	-	-	-	13,767
Transfers in	1,827,248	-	1,105,703	40,000	7,161,069	-	-	597,452	10,731,472
Transfers out	(945,411)	-	(4,091,060)	(1,990,428)	(63,649)	-	-	(1,921,377)	(9,011,925)
Total Other Financing Sources (Uses)	<u>895,604</u>	<u>-</u>	<u>17,514,643</u>	<u>(1,950,428)</u>	<u>7,097,420</u>	<u>10,525,000</u>	<u>8,913,000</u>	<u>(1,323,925)</u>	<u>41,671,314</u>
Net Change in Fund Balance	<u>112,644</u>	<u>302,631</u>	<u>(10,788,722)</u>	<u>1,206,595</u>	<u>(20,694,614)</u>	<u>(2,115,410)</u>	<u>(6,587,992)</u>	<u>1,206,715</u>	<u>(37,358,153)</u>
FUND BALANCES (Deficit) - Beginning of Year	<u>7,483,401</u>	<u>(197,478)</u>	<u>11,951,808</u>	<u>3,275,590</u>	<u>21,600,605</u>	<u>1,068,417</u>	<u>10,380,460</u>	<u>8,025,416</u>	<u>63,588,219</u>
FUND BALANCES (Deficit) - END OF YEAR	<u>\$ 7,596,045</u>	<u>\$ 105,153</u>	<u>\$ 1,163,086</u>	<u>\$ 4,482,185</u>	<u>\$ 905,991</u>	<u>\$ (1,046,993)</u>	<u>\$ 3,792,468</u>	<u>\$ 9,232,131</u>	<u>\$ 26,230,066</u>

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, 2015

Net change in fund balances - total governmental funds	\$ (37,358,153)
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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	41,311,106
Some amounts reported as capital outlay were not capitalized	(1,157,591)
Depreciation is reported in the government-wide statements	(3,380,546)
Net book value of disposed assets	(196,887)
Capital contributions are reported in the government-wide statements	717,513

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

Special assessments	(152,449)
Accounts receivable	775,114

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	38,385,000
Debt proceeds	(39,050,000)
Capital appreciation bond increase	(16,344)

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	(888,000)
Amortization of debt premium on debt issued	200,948

Part of net revenue of activities in the internal service fund is reported with governmental activities	119,635
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Other postemployment benefits	(1,303,045)
Compensated absences	139,161
Accrued interest on debt	155,761
Net pension asset	(2,344,957)
Deferred outflows related to pensions	<u>2,340,888</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (1,702,846)</u>
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See accompanying notes to financial statements.

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CITY OF OAK CREEK

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2015

	Business-type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Totals	Activities - Internal Service Fund
ASSETS				
Current Assets				
Cash and investments	\$ 11,222,174	\$ 6,962,467	\$ 18,184,641	\$ 2,056,046
Customer accounts receivable	2,019,270	780,744	2,800,014	-
Other accounts receivable	32,888	4,082	36,970	128,365
Due from other funds	552,079	258,475	810,554	-
Inventories	62,140	-	62,140	-
Prepaid items	3,709	833	4,542	-
Restricted assets				
Revenue bond redemption account	150,704	-	150,704	-
Total Current Assets	<u>14,042,964</u>	<u>8,006,601</u>	<u>22,049,565</u>	<u>2,184,411</u>
Noncurrent Assets				
Restricted Assets				
Revenue bond reserve account	1,014,793	-	1,014,793	-
Net pension asset	303,195	75,799	378,994	-
Total Restricted Assets	<u>1,317,988</u>	<u>75,799</u>	<u>1,393,787</u>	<u>-</u>
Capital Assets				
Land and land rights	255,324	13,145	268,469	-
Construction in progress	1,264,409	3,333	1,267,742	-
Utility plant in service	112,795,450	43,944,969	156,740,419	-
Accumulated depreciation	(33,954,686)	(10,759,822)	(44,714,508)	-
Total Capital Assets	<u>80,360,497</u>	<u>33,201,625</u>	<u>113,562,122</u>	<u>-</u>
Other Assets				
Property held for future use	5,000	-	5,000	-
Prepaid items	1,943	833	2,776	-
Due from other funds - special assessments	225,413	74,916	300,329	-
Due from other funds - advance	-	2,375,076	2,375,076	-
Total Other Assets	<u>232,356</u>	<u>2,450,825</u>	<u>2,683,181</u>	<u>-</u>
Total Assets	<u>95,953,805</u>	<u>43,734,850</u>	<u>139,688,655</u>	<u>2,184,411</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	104,386	-	104,386	-
Deferred outflows related to pension	314,138	78,534	392,672	-
Total Deferred Outflows	<u>418,524</u>	<u>78,534</u>	<u>497,058</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>96,372,329</u>	<u>43,813,384</u>	<u>140,185,713</u>	<u>2,184,411</u>

	Business-type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Totals	Activities - Internal Service Fund
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 567,830	\$ 580,045	\$ 1,147,875	\$ 804,397
Accrued payroll	82,978	4,619	87,597	-
Accrued interest payable	34,694	-	34,694	-
Due to other funds	2,311,830	143,446	2,455,276	-
Unearned revenue	31,932	-	31,932	-
Compensated absences	43,711	-	43,711	-
Revenue bonds payable	533,156	-	533,156	-
Liabilities Payable From Restricted Assets	-	-	-	-
Accrued interest	30,120	-	30,120	-
Current portion of revenue bonds	1,450,000	-	1,450,000	-
Total Current Liabilities	<u>5,086,251</u>	<u>728,110</u>	<u>5,814,361</u>	<u>804,397</u>
Noncurrent Liabilities				
Net other postemployment benefits obligation	793,607	198,402	992,009	-
Due to other funds - Advance	2,375,076	-	2,375,076	-
Unamortized premiums on debt	47,926	-	47,926	-
Pollution remediation obligation	1,707,180	-	1,707,180	-
Revenue bonds	17,803,228	-	17,803,228	-
Total Noncurrent Liabilities	<u>22,727,017</u>	<u>198,402</u>	<u>22,925,419</u>	<u>-</u>
Total Liabilities	<u>27,813,268</u>	<u>926,512</u>	<u>28,739,780</u>	<u>804,397</u>
NET POSITION				
Net investment in capital assets	60,630,573	33,201,625	93,832,198	-
Restricted				
Debt service	1,135,377	-	1,135,377	-
Pension	303,195	75,799	378,994	-
Unrestricted	<u>6,489,916</u>	<u>9,609,448</u>	<u>16,099,364</u>	<u>1,380,014</u>
TOTAL NET POSITION	<u>\$ 68,559,061</u>	<u>\$ 42,886,872</u>	111,445,933	<u>\$ 1,380,014</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				
			<u>37,688</u>	
Net Position of Business-type Activities			<u>\$ 111,483,621</u>	

See accompanying notes to financial statements.

CITY OF OAK CREEK

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

For the Year Ended December 31, 2015

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>	<u>Activities -</u>
	<u>Utility</u>	<u>Utility</u>		<u>Internal</u>
				<u>Service Fund</u>
OPERATING REVENUES				
Charges for services and sales	\$ 10,324,763	\$ 3,591,266	\$ 13,916,029	\$ -
Other operating revenues	<u>387,301</u>	<u>48,489</u>	<u>435,790</u>	<u>6,170,543</u>
Total Operating Revenues	<u>10,712,064</u>	<u>3,639,755</u>	<u>14,351,819</u>	<u>6,170,543</u>
OPERATING EXPENSES				
Operation and maintenance	5,759,964	2,979,879	8,739,843	6,053,941
Depreciation	2,421,798	525,741	2,947,539	-
Taxes	<u>118,940</u>	<u>43,406</u>	<u>162,346</u>	<u>-</u>
Total Operating Expenses	<u>8,300,702</u>	<u>3,549,026</u>	<u>11,849,728</u>	<u>6,053,941</u>
Operating Income (Loss)	<u>2,411,362</u>	<u>90,729</u>	<u>2,502,091</u>	<u>116,602</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	60,008	30,244	90,252	3,818
Loss from merchandising and jobbing	(8,419)	-	(8,419)	-
Interest expense	(730,453)	-	(730,453)	-
Amortization expense	<u>(23,819)</u>	<u>-</u>	<u>(23,819)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(702,683)</u>	<u>30,244</u>	<u>(672,439)</u>	<u>3,818</u>
Income (Loss) Before Contributions and Transfers	1,708,679	120,973	1,829,652	120,420
CAPITAL CONTRIBUTIONS	2,390,231	2,002,637	4,392,868	-
TRANSFERS OUT	<u>(1,719,547)</u>	<u>-</u>	<u>(1,719,547)</u>	<u>-</u>
Change in Net Position	2,379,363	2,123,610	4,502,973	120,420
NET POSITION - Beginning of Year (As Restated)	<u>66,179,698</u>	<u>40,763,262</u>		<u>1,259,594</u>
NET POSITION - END OF YEAR	<u>\$ 68,559,061</u>	<u>\$ 42,886,872</u>		<u>\$ 1,380,014</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>785</u>	
Change in Net Position of Business-Type Activities			<u>\$ 4,503,758</u>	

See accompanying notes to financial statements.

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CITY OF OAK CREEK

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds			Governmental
	Water Utility	Sewer Utility	Totals	Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 10,409,967	\$ 3,625,241	\$ 14,035,208	\$ 6,077,676
Received from rents of water property	201,738	-	201,738	-
Payment for nonoperating activities	999	-	999	-
Received from miscellaneous sources	39,496	2,806	42,302	-
Paid to Milwaukee Metro Sewerage District for sewer user charges	-	(2,217,661)	(2,217,661)	-
Paid to suppliers for goods and services	(1,799,776)	(243,637)	(2,043,413)	(5,818,584)
Paid to employees for services	(1,584,454)	(423,564)	(2,008,018)	-
Net Cash Flows From Operating Activities	<u>7,267,970</u>	<u>743,185</u>	<u>8,011,155</u>	<u>259,092</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to city for tax equivalent	(1,596,033)	-	(1,596,033)	-
Principal received from Water Utility - advance	-	41,641	41,641	-
Net Cash Flows From Noncapital Financing Activities	<u>(1,596,033)</u>	<u>41,641</u>	<u>(1,554,392)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments purchased	(4,895,543)	(1,351,347)	(6,246,890)	-
Proceeds from sale of investments	4,945,543	1,301,347	6,246,890	-
Interest received from Water Utility - advance	-	8,359	8,359	-
Investment income	16,734	11,476	28,210	3,818
Net Cash Flows From Investing Activities	<u>66,734</u>	<u>(30,165)</u>	<u>36,569</u>	<u>3,818</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(4,466,710)	(46,400)	(4,513,110)	-
Proceeds received for acquisition and construction of capital assets	57,437	46,544	103,981	-
Proceeds from sale of capital assets	525	225	750	-
Special assessment proceeds	21,278	11,230	32,508	-
Cost of removal	(15,502)	(3,877)	(19,379)	-
Proceeds from issuance of debt	3,850,000	-	3,850,000	-
Proceeds from premiums on debt issued	89,619	-	89,619	-
Paid to escrow for advance refunding of debt	(4,180,000)	-	(4,180,000)	-
Debt issuance costs paid	(84,521)	-	(84,521)	-
Principal payment to Sewer Utility - advance	(41,641)	-	(41,641)	-
Debt retired	(1,799,458)	-	(1,799,458)	-
Interest paid to Sewer Utility - advance	(8,359)	-	(8,359)	-
Interest paid	(747,336)	-	(747,336)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(7,324,668)</u>	<u>7,722</u>	<u>(7,316,946)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,585,997)	762,383	(823,614)	262,910
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>7,877,199</u>	<u>4,511,938</u>	<u>12,389,137</u>	<u>1,793,136</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,291,202	\$ 5,274,321	\$ 11,565,523	\$ 2,056,046

	<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>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 2,411,362	\$ 90,729	\$ 2,502,091	\$ 116,602
Nonoperating revenues (expenses)	(8,419)	-	(8,419)	-
Adjustments to Reconcile Operating Income to Net Cash Provided From Operating Activities				
Noncash items included in income				
Depreciation	2,421,798	525,741	2,947,539	-
Depreciation charged to other accounts	75,521	(42,611)	32,910	-
Loss on sale of transportation equipment	(5,250)	-	(5,250)	-
Changes in assets and liabilities				
Customer accounts receivable	13,377	(7,218)	6,159	-
Other accounts receivable	(9,624)	25,691	16,067	(122,539)
Due from other funds	-	130,079	130,079	29,672
Inventories	3,084	-	3,084	-
Prepaid items	7,242	832	8,074	5,613
Pension	2,560	641	3,201	-
Accounts payable and accrued liabilities	145,026	8,099	153,125	229,744
Accrued expenses	26,057	1,807	27,864	-
Pollution remediation obligation	1,707,180	-	1,707,180	-
Due to other funds	518,595	-	518,595	-
Net other post employment benefits obligation	37,581	9,395	46,976	-
Unearned revenue	(78,120)	-	(78,120)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 7,267,970	\$ 743,185	\$ 8,011,155	\$ 259,092
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS				
Cash and investments	\$ 11,222,174	\$ 6,962,467	\$ 18,184,641	\$ 2,056,046
Restricted cash and investments - current	150,704	-	150,704	-
Restricted cash and investments - noncurrent	1,014,793	-	1,014,793	-
Less: Investments not considered to be cash and cash equivalents	(6,096,469)	(1,688,146)	(7,784,615)	-
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,291,202	\$ 5,274,321	\$ 11,565,523	\$ 2,056,046
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Interest income earned on noncash equivalents	\$ 48,461	\$ 12,971		\$ -
Market value adjustment on investments	\$ (6,510)	\$ (1,869)		\$ -
Gain on capital asset retirements	\$ 5,250	\$ -		\$ -
Cost of capital assets installed and/or financed by developers	\$ 2,011,841	\$ 1,997,099		\$ -
Cost of capital assets financed by assessment of benefits to property owners	\$ 378,390	\$ 5,537		\$ -
Interest capitalized on construction projects	\$ 94,237	\$ -		\$ -

See accompanying notes to financial statements.

CITY OF OAK CREEK

STATEMENT OF ASSETS AND LIABILITIES

AGENCY FUND

As of December 31, 2015

	<u>Agency Fund</u>
ASSETS	
Cash and investments	\$ 39,036,437
Property taxes receivable	<u>13,643,208</u>
TOTAL ASSETS	<u>\$ 52,679,645</u>
LIABILITIES	
Due to other taxing units	<u>\$ 52,679,645</u>
TOTAL LIABILITIES	<u>\$ 52,679,645</u>

See accompanying notes to financial statements.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2012, the GASB issued statement No. 68- *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

Government-Wide Financial Statements

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

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

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

Fund Financial Statements

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

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.

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 public works projects.

Debt Amortization 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.

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.

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

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

Fund Financial Statements (cont.)

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

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
Consolidated Dispatch Services Fund

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

TIF No. 4 Debt Service Fund
TIF No. 6 Debt Service Fund

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

Fund Financial Statements (cont.)

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. 9 Capital Projects Fund
TIF No. 10 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

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 deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

Fund Financial Statements

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

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

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

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

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

Proprietary and fiduciary fund financial statements (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.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

All Financial Statements

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, 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.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

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.

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.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Interest Rate Risk (cont.)

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.

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, 2015, 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 statement of assets and liabilities – agency fund.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

Property tax calendar – 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due (50%)	January 31, 2016
Second installment due (25%)	March 31, 2016
Third installment due (25%)	May 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale – 2015 delinquent real estate taxes	October 2018

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

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

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

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

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

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

3. Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost using the consumption method of accounting. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction 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.

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 \$94,237 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.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Government –Wide Statements (cont.)

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. Deferred Outflows of Resources

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

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

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

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.

Payments for paid time off will be made at rates in effect when the benefits are used. The liabilities at December 31, 2015 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 amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

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

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 12-31-15
Crown Prince Inc.	12/2/03	\$ 2,235,000	1/1/24	\$ 582,921
Wisconsin Electric Power Company	12/1/04	67,000,000	8/1/16	67,000,000
Suzy's Cheesecakes	2/21/14	2,200,000	2/1/44	2,063,306
Total				<u>\$ 69,646,227</u>

9. Pollution Remediation Obligations

As of December 31, 2015, the city was obligated to address the future pollution cleanup activities at its water treatment plant site due to federal and state laws and regulations. The city's obligation originated in the year 2015 to address the pollution remediation because the government unit has been determined to be the responsible party which compels the city to participate in remediation. Examples of expected future remediation activity costs include legal services, site investigation and required post-remediation monitoring costs. The amount reported as a pollution remediation obligation represents the current value of the expected cash flows to be paid for these activities. Any expected recoveries would be treated separately as a receivable when such reimbursements become measurable. As of December 31, 2015, the obligation was \$1,707,180 with no related receivable. The city will recognize these liabilities and related expenses as an operating expense in the water utility financial statements only when such costs become measurable. Because of this, the liability is subject to change as the city becomes aware of new information which may affect its estimate. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

10. Deferred Inflows of Resources

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

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications

Government–Wide Statements

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

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

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

	Governmental Activities	Business-type Activities	Adjustment	Total
Net Investment in capital assets	\$ 78,690,819	\$ 93,832,198	\$ (2,092,565)	\$ 170,430,452
Unrestricted (deficit)	(24,387,134)	16,137,052	2,092,565	(6,157,517)

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications (cont.)

Fund Statements (cont.)

- c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the city. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Council that originally created the commitment.
- d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City Council has, by resolution, adopted a financial policy authorizing the City Administrator or Finance Director to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

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

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

The city has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 15% 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 \$21,826,566 and the state shared revenue was \$6,195,953, for a total of \$28,022,519. At year end, amounts available for working capital and included in unassigned general fund balance totaled \$4,350,890, or 15.52%.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATION

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Special Revenue Funds			
Solid Waste Fund	\$ 1,291,362	\$ 1,304,109	\$ 12,747
Donation & Activity Fund	241,000	396,014	155,014
Impact Fee Fund	-	3,946	3,946
Debt Service Funds			
Debt Service Fund	7,275,306	29,180,982	21,905,676
TIF No. 4 Debt Service Fund	361,000	585,332	224,332
Capital Projects Funds			
Capital Improvement Fund	5,468,420	28,335,015	22,866,595
Developer Improvement Fund	2,000	36,172	34,172
TIF No. 8 Capital Project Fund	4,171,181	13,611,275	9,440,094
TIF No. 9 Capital Project Fund	150	591,730	591,580
Internal Service Fund			
Health Insurance Fund	5,921,408	6,053,941	132,533

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, 2015

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

B. DEFICIT BALANCES

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

As of December 31, 2015, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Special Revenue Funds		
Consolidated Dispatch Services Fund	\$ 199,411	Excess of expenditures over revenues
Debt Service Fund		
TIF No. 4 Debt Service Fund	268,795	Excess of expenditures over revenues
Capital Project Fund		
TIF No. 8 Capital Projects Fund	1,046,933	Excess of expenditures over revenues
Developer Agreements Fund	31,388	Excess of expenditures over revenues

The Consolidated Dispatch Services Fund deficit is anticipated to be funded with future taxes levied and future charges for services. 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. The Developer Agreements Fund deficit is anticipated to be funded with future developer receipts.

C. LIMITATIONS ON THE CITY'S TAX LEVY

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

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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	\$ 21,895,584	\$ 21,124,551	Custodial credit risk
U.S. treasuries	5,584,504	5,585,582	Custodial credit risk, interest rate risk
U.S. agencies	224,479	224,479	Credit risk, custodial credit risk, interest rate risk, concentration of credit risk
Municipal bonds	1,208,330	1,210,979	Credit risk, custodial credit risk, interest rate risk, concentration of credit risk
Asset backed securities	10,252,992	10,249,510	Credit risk, custodial credit risk, interest rate risk, concentration of credit risk
Corporate bonds	4,781,642	4,781,396	Credit risk, custodial credit risk, interest rate risk, concentration of credit risk
Local Government Investment Pool	43,750,089	43,750,089	Credit risk
Petty cash	5,195	-	N/A
Total Cash and Investments	<u>\$ 87,702,815</u>	<u>\$ 86,926,586</u>	
Reconciliation to financial statements			
Per statement of net position			
Cash and investments	\$ 45,523,497		
Restricted cash and investments	3,142,881		
Per statement of net position – fiduciary funds			
Agency	39,036,437		
Total Cash and Investments	<u>\$ 87,702,815</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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 nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk

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

Custodial Credit Risk

Deposits

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

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

Investments

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

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As of December 31, 2015 the city's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poor's</u>	<u>Fitch Ratings</u>	<u>Moody's</u>
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, 2015

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, 2015, 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, 2015, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In years)		
		Less than 1 year	1 - 10	> 10 years
U.S. treasuries	\$ 5,584,504	\$ -	\$ 4,331,378	\$ 1,253,126
U.S. agencies	224,479	-	224,479	-
Municipal bonds	1,208,330	690,354	517,976	-
Asset backed securities	10,252,992	300,181	3,847,269	6,105,542
Corporate bonds	4,781,642	671,522	4,110,120	-
Totals	\$ 22,051,947	\$ 1,662,057	\$ 13,031,222	\$ 7,358,668

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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	\$ 13,796,182	\$ 17,111
Emergency Medical Services Fund	3,777,202	-
Debt Service Fund	850,000	-
Capital Improvement Fund	353,368	-
TIF No. 8 Capital Projects Fund	917,107	-
TIF No. 11 Capital Projects Fund	1,677,276	-
Nonmajor Governmental Funds	6,254,036	881,609
Total	\$ 27,625,171	\$ 898,720

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 \$187,612 for an allowance for uncollectible accounts.

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

	Unearned	Unavailable
Property taxes and special charges receivable for subsequent year	\$ 22,662,023	\$ -
Accounts receivable not collected	27,600	782,199
Special assessments not yet due	-	731,097
Loan receivables	-	6,503
Total Unearned/Unavailable Revenue for Governmental Funds	\$ 22,689,623	\$ 1,519,799
Unearned revenue included in liabilities	\$ 27,600	
Unearned revenue included in deferred inflows	22,662,023	
Total Unearned Revenue for Governmental Funds	\$ 22,689,623	

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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.

Net Pension Asset

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

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, 2015:

	Governmental Activities	Business- type Activities	Total
Redemption account	\$ -	\$ 150,704	\$ 150,704
Reserve account	-	1,014,793	1,014,793
Impact fee account	1,921,328	-	1,921,328
Net pension asset	3,562,588	378,994	3,941,582
Asset forfeiture account	56,056	-	56,056
	<u>5,539,972</u>	<u>1,544,491</u>	<u>7,084,463</u>
Total	<u>\$ 5,539,972</u>	<u>\$ 1,544,491</u>	<u>\$ 7,084,463</u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 23,509,754	\$ 717,513	\$ 12,465	\$ 24,842,570
Construction in progress	<u>24,170,606</u>	<u>14,189,096</u>	<u>9,813,251</u>	<u>28,546,451</u>
Total Capital Assets Not Being Depreciated	<u>47,680,360</u>	<u>15,534,377</u>	<u>9,825,716</u>	<u>53,389,021</u>
Capital assets being depreciated				
Land improvements	1,663,530	-	-	1,663,530
Buildings	22,127,886	23,585,785	1,460,838	44,252,833
Intangible Asset – Easements	5,400	-	-	5,400
Machinery and equipment	18,239,248	3,044,180	1,126,347	20,157,081
Bridges	286,370	-	-	286,370
Roads	44,051,984	3,028,316	20,883	47,059,417
Sidewalks	3,454,033	935,096	-	4,389,129
Street lighting	4,318,886	2,508,613	-	6,827,499
Storm sewers	<u>23,088,362</u>	<u>2,047,909</u>	<u>-</u>	<u>25,136,271</u>
Total Capital Assets Being Depreciated	<u>117,235,699</u>	<u>35,149,899</u>	<u>2,608,068</u>	<u>149,777,530</u>
Less: Accumulated depreciation for				
Land improvements	(915,732)	(67,056)	-	(982,788)
Buildings	(6,362,264)	(790,321)	1,350,751	(5,801,835)
Intangible Asset – Easements	(5,400)	-	-	(5,400)
Machinery and equipment	(12,064,337)	(1,175,844)	1,067,925	(12,172,256)
Bridges	(25,776)	(2,864)	-	(28,640)
Roads	(9,872,088)	(610,251)	4,970	(10,477,369)
Sidewalks	(2,164,336)	(69,215)	-	(2,233,551)
Street lighting	(3,002,409)	(210,446)	-	(3,212,854)
Storm sewers	<u>(10,320,880)</u>	<u>(454,548)</u>	<u>-</u>	<u>(10,775,428)</u>
Total Accumulated Depreciation	<u>(44,733,222)</u>	<u>(3,380,546)</u>	<u>2,423,646</u>	<u>(45,690,122)</u>
Net Capital Assets Being Depreciated	<u>72,502,477</u>	<u>31,769,353</u>	<u>182,423</u>	<u>104,087,408</u>
Total Governmental Activities Assets, Net of Accumulated Depreciation	<u>\$ 120,182,837</u>	<u>\$ 47,303,730</u>	<u>\$ 10,010,138</u>	<u>\$ 157,476,429</u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 352,804
Public safety	869,057
Health and social services	550
Public works	1,795,915
Leisure activities	<u>362,220</u>
 Total Governmental Activities Depreciation Expense	 <u><u>\$ 3,380,546</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	\$ 117,669	\$ 137,655	\$ -	\$ 255,324
Construction in progress	<u>3,196,300</u>	<u>5,948,082</u>	<u>7,879,973</u>	<u>1,264,409</u>
Total Capital Assets Not Being Depreciated	<u>3,313,969</u>	<u>6,085,737</u>	<u>7,879,973</u>	<u>1,519,733</u>
Capital assets being depreciated				
Source of supply	6,200,674	1,005,743	-	7,206,417
Pumping	9,012,416	19,481	38,205	8,993,692
Treatment	25,021,414	-	-	25,021,414
Transmission and distribution	60,470,191	7,820,080	1,504,297	66,785,974
General	<u>4,791,310</u>	<u>43,343</u>	<u>46,700</u>	<u>4,787,953</u>
Total Capital Assets Being Depreciated	<u>105,496,005</u>	<u>8,888,647</u>	<u>1,589,202</u>	<u>112,795,450</u>
Total Capital Assets	<u>108,809,974</u>	<u>14,974,384</u>	<u>9,469,175</u>	<u>114,315,183</u>
Less: Accumulated depreciation for				
Source of supply	(1,992,274)	(183,018)	-	(2,175,292)
Pumping	(3,706,542)	(364,325)	38,205	(4,032,662)
Treatment	(8,875,526)	(813,542)	-	(9,689,068)
Transmission and distribution	(14,808,322)	(1,043,426)	564,933	(15,286,815)
General	<u>(2,673,138)</u>	<u>(144,411)</u>	<u>46,700</u>	<u>(2,770,849)</u>
Total Accumulated Depreciation	<u>(32,055,802)</u>	<u>(2,548,722)</u>	<u>649,838</u>	<u>(33,954,686)</u>
Net Water Plant	<u><u>\$ 76,754,172</u></u>	<u><u>\$ 12,425,662</u></u>	<u><u>\$ 8,819,337</u></u>	<u><u>\$ 80,360,497</u></u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated				
Land and land rights	\$ 13,145	\$ -	\$ -	\$ 13,145
Construction in progress	349	2,011,655	2,008,671	3,333
Total Capital Assets Not Being Depreciated	13,494	2,011,655	2,008,671	16,478
Capital assets being depreciated				
Collection system	41,160,577	2,008,671	71,363	43,097,885
Collection system pumping	243,040	-	870	242,170
General	616,114	-	11,200	604,914
Total Capital Assets Being Depreciated	42,019,731	2,008,671	83,433	43,944,969
Total Capital Assets	42,033,225	4,020,326	2,092,104	43,961,447
Less: Accumulated depreciation for				
Collection system	(9,870,771)	(434,065)	71,363	(10,233,473)
Collection system pumping	(234,609)	(2,038)	870	(235,777)
General	(258,396)	(43,376)	11,200	(290,572)
Total Accumulated Depreciation	(10,363,776)	(479,479)	83,433	(10,759,822)
Net Sewer Plant	\$ 31,669,449	\$ 3,540,847	\$ 2,008,671	\$ 33,201,625
Business-type Capital Assets, Net of Depreciation	\$ 108,423,621	\$ 15,966,509	\$ 10,828,008	\$ 113,562,122

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 2,421,798
Sewer	525,741
Total Business-type Activities Depreciation Expense	\$ 2,947,539

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, 2015

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

E. INTERFUND RECEIVABLES/PAYABLES, TRANSFERS, AND ADVANCES

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

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General fund	Water utility	\$ 2,269,610	\$ -
General fund	Sewer utility	143,446	-
General fund	TIF #4 debt service fund	268,795	-
General fund	TIF #8 capital projects fund	1,552,730	1,392,859
General fund	Developer agreement fund	43,360	43,360
General fund	Consolidated dispatch services	172,606	-
Economic development fund	TIF #7 capital projects fund	314,900	314,900
Water utility	General fund	281,175	-
Water utility	Developer agreement fund	9,474	-
Water utility	TIF #11 capital projects fund	4,956	-
Water utility	TIF #8 capital projects fund	4,123	-
Water utility	Capital improvement fund	286	-
Sewer utility	Capital improvement fund	15,495	-
Sewer utility	General fund	176,056	-
Sewer utility	Storm water fund	1,906	-
Sewer utility	Special assessment fund	97,714	74,916
Water utility	Special assessment fund	477,478	225,413
Sewer utility	Water utility	42,220	-
Total – Fund Financial Statements		5,876,330	
Less: Fund eliminations		(2,394,611)	
Government-wide eliminations		(2,137,326)	
Total Internal Balances – Government-Wide Statement of Net Position		\$ 1,344,393	

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

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General fund	Water utility	\$ 1,719,547	Tax equivalent
General fund	Solid waste fund	44,052	Finance of equipment
General fund	Capital improvements fund	63,649	Finance of capital projects
Capital improvements fund	General fund	347,959	Finance of capital projects
Capital improvements fund	Debt service fund	4,091,060	Finance of capital projects
Capital improvements fund	Storm water fund	100,000	Finance of capital projects
Debt amortization fund	TIF No. 4 debt service fund	40,000	Finance debt service requirements
Debt service fund	Debt amortization fund	990,428	Finance debt service requirements
Debt service fund	Impact fee escrow fund	115,275	Finance debt service requirements
Capital improvements fund	Impact fee escrow fund	280,067	Finance of capital projects
Capital improvements fund	WE energies fund	1,000,000	Finance of capital projects
Capital improvements fund	Special assessment fund	100,000	Finance of capital projects
Capital improvements fund	Debt amortization fund	1,000,000	Finance of capital projects
Capital improvements fund	Park escrow	241,983	Finance of capital projects
TIF No. 9 capital projects fund	General fund	379,826	Finance of capital projects
Donation & activity fund	General fund	<u>217,626</u>	Library donations
Subtotal – Fund financial statements		10,731,472	
Less: Fund eliminations		(9,011,925)	
Less: Capital assets contributed to Enterprise Funds		<u>(2,002,637)</u>	
Total – Government-Wide Statement of Activities		<u>\$ (283,090)</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.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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

Advances

The Sewer Utility advanced \$2,500,000 to the Water Utility, dated December 15, 2013, for various construction projects. This advance will be repaid through annual installment payments of principal and interest through December 15, 2028. The annual interest rate was set by the Commission at .34% and is variable thereafter based on the LGIP rate. Effective December 31, 2015, the Commission approved .44% as the interest rate on this advance.

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

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 41,783	\$ 10,634
2017	41,925	10,450
2018	117,067	10,266
2019	117,465	9,751
2020	117,865	9,234
2021 – 2025	1,123,432	34,382
2026 – 2028	<u>857,322</u>	<u>7,390</u>
Totals	<u>\$ 2,416,859</u>	<u>\$ 92,107</u>

The current portion of principal due is included in due to other funds, on the Statement of Net Position – Proprietary Funds.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable:					
General obligation debt:					
Notes and bonds	\$ 89,080,000	\$ 39,050,000	\$ 38,025,000	\$ 90,105,000	\$ 26,675,000
Capital appreciation bonds	343,656	16,344	360,000	-	-
Sub-Totals	89,423,656	39,066,344	38,385,000	90,105,000	26,675,000
Add: Unamortized debt premium	502,061	888,000	200,948	1,189,113	-
Sub-Total	89,925,717	39,954,344	38,585,948	91,294,113	-
Other Liabilities					
Vested compensated absences	1,479,044	1,339,883	1,479,044	1,339,883	503,466
Other postemployment benefits	25,850,952	3,077,045	1,774,000	27,153,997	-
Total Other Liabilities	27,329,996	4,416,928	3,253,044	28,493,880	503,466
Total Governmental Activities Long-Term Liabilities	\$ 117,255,713	\$ 44,371,272	\$ 41,838,992	\$ 119,787,993	\$ 27,178,466
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable:					
Revenue bonds	\$ 21,877,573	\$ 3,850,000	\$ 5,979,458	\$ 19,748,115	\$ 1,944,887
Add: Unamortized debt premium	39,100	89,619	42,524	86,195	38,269
Sub-Total	21,916,673	3,939,619	6,021,982	19,834,310	1,983,156
Other Liabilities					
Other postemployment benefits	945,033	243,976	197,000	992,009	-
Pollution remediation obligation	-	1,826,472	119,292	1,707,180	-
Total Business-type Activities Long-Term Liabilities	\$ 22,861,706	\$ 6,101,067	\$ 6,338,274	\$ 22,533,499	\$ 1,983,156

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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, 2015 was \$150,195,965. Total general obligation debt outstanding at year end was \$90,105,000.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 12-31-15</u>
Governmental Activities					
General Obligation Debt					
G.O. notes and bonds					
2006 bonds	10/15/06	10/01/16	4.00-4.50%	\$ 1,200,000	\$ 150,000
2010 bonds	4/01/10	4/01/30	1.50-4.375%	7,000,000	5,800,000
2012 bonds	2/01/12	3/01/17	1.00-1.75%	4,530,000	1,905,000
2013 refunding bonds	4/2/13	4/01/32	2.00-3.75%	5,825,000	5,475,000
2013A notes	4/2/13	4/01/23	1.00-2.75%	3,000,000	2,475,000
2013C notes	11/19/13	11/01/16	2.00%	5,925,000	5,925,000
2013D notes	11/19/13	11/01/16	2.00%	17,625,000	17,625,000
2013E notes	12/30/13	12/01/22	1.00-4.00%	10,000,000	9,100,000
2014B refunding bonds	12/16/14	5/01/32	2.00-3.375%	2,725,000	2,600,000
2015A refunding bonds	1/20/15	6/01/34	2.00-4.00%	19,650,000	19,650,000
2015B notes	5/19/15	5/1/18	2.250%	8,900,000	8,900,000
2015C notes	9/29/15	9/1/18	2.125%	10,500,000	<u>10,500,000</u>
Total Governmental Activities – Notes and Bonds					<u>\$ 90,105,000</u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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 notes and bonds are as follows:

<u>Years</u>	Governmental Activities	
	Notes and Bonds	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 26,675,000	\$ 2,305,296
2017	3,080,000	1,896,356
2018	21,550,000	1,738,250
2019	2,200,000	1,471,062
2020	2,250,000	1,299,687
2021-2025	16,400,000	4,889,936
2026-2030	10,500,000	2,338,016
2031-2034	7,450,000	453,172
Totals	<u>\$ 90,105,000</u>	<u>\$ 16,391,775</u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt

The city has pledged future water and sewer revenues, net of specified operating expenses, to repay \$19,748,115 in revenue bonds. Proceeds from the bonds provided financing for capital improvements. The bonds are payable solely from revenues and are payable through May 1, 2034. The total principal and interest remaining to be paid on the bonds is \$24,715,747. Principal and interest paid for the current year and total customer net revenues were \$2,546,794 and \$4,893,168, respectively. Future principal and interest payments are expected to require 27% of net revenues.

Revenue debt payable at December 31, 2015 consists of the following:

Business-type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-15
Water utility revenue bonds	1/13/10	5/1/29	2.668%	\$ 791,863	\$ 620,224
Water utility revenue bonds	3/15/11	12/1/31	2.25-5.00%	6,500,000	6,025,000
Water utility revenue bonds	11/23/11	5/1/31	2.20%	5,889,583	4,907,333
Water utility revenue bonds	5/22/13	5/1/2033	1.925%	2,594,795	2,377,538
Water utility revenue bonds	5/28/14	5/1/34	1.925%	1,968,020	1,968,020
Water utility revenue bonds	11/17/15	1/1/20	2.00%	3,850,000	<u>3,850,000</u>
Total Business-type Activities Revenue Debt					<u>\$ 19,748,115</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,944,887	\$ 561,354
2017	1,830,402	517,482
2018	1,316,143	477,126
2019	1,352,114	446,287
2020	1,088,320	413,460
2021 – 2025	4,743,298	1,652,248
2026 – 2030	5,558,152	832,698
2031 – 2034	<u>1,914,799</u>	<u>66,977</u>
Totals	<u>\$ 19,748,115</u>	<u>\$ 4,967,632</u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS (cont.)

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.

Current Refundings

During 2015, the city used proceeds of general obligation refunding bonds issued in 2014 to current refund the \$4.6 million of outstanding 2012 general obligation promissory notes with an average interest rate of 2.00% on the maturity date of the notes.

On January 20, 2015, the city issued \$19.65 million of general obligation refunding bonds with an average interest rate of 3.20% to refund \$20.5 million of outstanding 2014 general obligation promissory notes with an average interest rate of 2.00% on the maturity date of the notes.

On September 29, 2015, the city issued \$10.5 million of general obligation promissory notes with an interest rate of 2.125% to refund \$10.525 million of outstanding 2013 general obligation promissory notes with an interest rate of 1.65% on the maturity date of the notes.

On November 17, 2015, the city issued \$3.85 million in revenue bonds with an average interest rate of 2.00% to refund \$4.18 million of outstanding revenue bonds with an average interest rate of 4.88%. The net proceeds were used to prepay the old revenue bonds. Outstanding debt service requirements on the refunded bonds prior to the current refunding were \$4,695,575 from 2016 through 2020. The cash flow requirements on the 2015 refunding bonds are \$4,030,994 from 2016 through 2020. The current refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$620,829.

G. LEASE DISCLOSURES

Lessor – Operating Leases – Governmental Activities

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

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

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

G. LEASE DISCLOSURE (cont.)

Lessor – Operating Leases – Business-type Activities

The water and sewer utility has entered into operating leases with Verizon Wireless (VW), Sprint Spectrum L.P. (SSLP), Cingular Wireless (CW), Cricket Communications (CR) and Crown Castle (CC) for space on Utility reservoirs to be used for cellular antennas. These leases terminate on November 30, 2020 (VW), March 20, 2017 (SSLP), March 1, 2020 (CW), December 31, 2015 (CR), February 26, 2016 (CC), January 24, 2018 (CC) and January 31, 2028 (CW). Minimum future lease rentals are as follows:

2016	\$ 236,104
2017	219,694
2018	194,431
2019	202,128
2020	152,659
2021-2025	293,004
2026-2028	144,796

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2015 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 24,842,570
Other capital assets, net of accumulated depreciation	132,633,859
Less: Related long-term debt and premium outstanding (excluding non-capital debt)	(89,172,648)
Add: Unspent proceeds of capital-related debt included above	<u>10,387,038</u>
Total Net Investment in Capital Assets	<u>78,690,819</u>
Restricted	
Debt service	6,673,932
TID activity	5,770,537
Impact fee escrow	2,352,102
Park escrow	250,879
Pensions	3,562,588
Storm Water	197,540
Donation and activity	488,528
Asset forfeiture	56,616
Low income loans	<u>9,644</u>
Total Restricted	<u>19,362,366</u>
Unrestricted	<u>(24,387,134)</u>
Total Governmental Activities Net Position	<u>\$ 73,666,051</u>

Governmental fund balances reported on the fund financial statements at December 31, 2015 include the following:

Nonspendable Fund Balance

Major Funds	
General Fund	
Inventories	\$ 72,278
Delinquent personal property taxes	17,111
Non-current receivables from other funds	<u>1,436,219</u>
Total General Fund	<u>1,525,608</u>
Total Nonspendable Fund Balance	<u>\$ 1,525,608</u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Activities (cont.)

Restricted Fund Balance

Major Funds

Debt Service	\$ 1,163,086
Debt Amortization	4,482,185
TIF No. 11 Capital Projects	<u>3,792,468</u>
Total Major Funds	<u>9,437,739</u>

Non-Major Funds

Special Revenue Funds

Donation and Activity	488,528
Low Income Loan	9,644
Park Escrow	250,879
Impact Fee Escrow	2,352,102
Asset Forfeiture	56,616
Storm Water	197,540

Debt Service Funds

TIF No. 6 Debt Service	1,423,014
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Capital Projects Funds

TIF No. 7 Capital Projects	1,476,347
TIF No. 10 Capital Projects	<u>501,722</u>
Total Non-Major Funds	<u>6,756,392</u>

Total Restricted Fund Balance

\$ 16,194,131

Committed Fund Balance

Major Funds

Emergency Medical Services	<u>\$ 105,153</u>
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Non-Major Funds

Special Revenue Funds

Solid Waste	146,516
WE Energies Fund	221,121
Special Assessment	1,703,337
Economic Development	<u>904,359</u>
Total Non-Major Funds	<u>2,975,333</u>

Total Committed Fund Balance

\$ 3,080,486

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Activities (cont.)

Assigned Fund Balance

Major Funds

General Fund

Tax equivalent for subsequent year

\$ 1,719,547

Total General Fund

1,719,547

Capital Improvement Fund

905,991

Total Assigned Fund Balance

\$ 2,625,538

Unassigned Fund Balance

Major Funds

General Fund

\$ 4,350,890

TIF No. 8 Capital Projects (deficit)

(1,046,993)

Total Major Funds

3,303,897

Non-Major Funds

Special Revenue Funds

Consolidated Dispatch Services (deficit)

(199,411)

Debt Service Funds

TIF No. 4 Debt Service (deficit)

(268,795)

Capital Projects Funds

Developer Agreement (deficit)

(31,388)

Total Non-major Funds

(499,594)

Total Unassigned Fund Balance

\$ 2,804,303

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land and land rights	\$ 268,469
Construction in progress	1,267,742
Other capital assets, net of accumulated depreciation	112,025,911
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(19,729,924)</u>
Total Net Investment in Capital Assets	<u>93,832,198</u>
Restricted	
Debt service	1,135,377
Pensions	<u>378,994</u>
Total Restricted Fund Balance	<u>1,514,371</u>
Unrestricted	<u>16,137,052</u>
Total Business-type Activities Net Position	<u>\$ 111,483,621</u>

I. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68-*Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows if any, to be reported in the financial statements. The details of this restatement are as follows:

	Governmental Activities	Business-type Activities	Water Utility	Sewer Utility
Net Position - December 31, 2014 (as reported)	\$ 68,085,051	\$ 106,204,996	\$ 65,559,805	\$ 40,608,288
Add: Net pension asset	5,907,545	628,454	502,763	125,691
Add: Deferred outflows related to pensions	<u>1,376,301</u>	<u>146,413</u>	<u>117,130</u>	<u>29,283</u>
Net position - December 31, 2014 (as restated)	<u>\$ 75,368,897</u>	<u>\$ 106,979,863</u>	<u>\$ 66,179,698</u>	<u>\$ 40,763,262</u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Summary of Significant Accounting Policies

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

General Information About the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

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

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits. The WRS also provides death and disability benefits for employees.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,522,714 in contributions from the city.

Contribution rates as of December 31, 2015 are:

	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

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

At December 31, 2015, the city reported an asset of \$3,941,582 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension asset was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the city's proportion was 0.16047000%, which was a decrease of 0.00531319% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the city recognized pension expense of \$1,529,894.

At December 31, 2015, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources
Differences between expected and actual experience	\$ 571,407
Changes in assumptions	-
Net differences between projected and actual earnings on pension plan investments	1,908,704
Changes in proportion and differences between employer contributions and proportionate share of contributions	133,778
Employer contributions subsequent to the measurement date	1,495,972
Total	\$ 4,109,861

\$1,495,972 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflow of Resources
2016	\$ 637,950
2017	637,950
2018	637,950
2019	637,950
2020	62,089
Thereafter	-

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

Actuarial assumptions. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7%	23%
Fixed Income	1.7%	36%
Inflation Sensitive Assets	2.3%	20%
Real Estate	4.2%	7%
Private Equity/Debt	6.9%	7%
Multi-Asset	3.9%	6%
Cash	0.9%	-20%

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (continued)

A. EMPLOYEES’ RETIREMENT SYSTEM (continued)

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the city’s proportionate share of the net pension asset to changes in the discount rate. The following presents the city’s proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the city’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
City of Oak Creek’s proportionate share of the net pension asset (liability)	(\$ 11,119,882)	\$ 3,941,582	\$ 15,836,518

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION

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 \$3,868,661 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. \$1,380,014 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 non-incremental costs to the claims liability.

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims – Beginning of Year	\$ 443,204	\$ 566,145
Current year claims and changes in estimates	4,385,777	4,790,276
Claim payments	<u>(4,262,836)</u>	<u>(4,566,113)</u>
Unpaid Claims – End of Year	<u>\$ 566,145</u>	<u>\$ 790,308</u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

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.

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 \$200,000.

C. COMMITMENTS AND CONTINGENCIES

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

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

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

The city has active construction projects as of December 31, 2015. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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.

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 approximately \$600,000.

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 2014.

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	\$ 3,844,431
Interest on net OPEB obligation	803,880
Adjustment to annual required contribution	<u>(1,327,290)</u>
Annual OPEB cost	3,321,021
Contributions made	<u>(1,971,000)</u>
Increase in net OPEB obligation (Liability)	1,350,021
Net OPEB Obligation (Liability) – Beginning of Year	<u>26,795,985</u>
Net OPEB Obligation (Liability) – End of Year	<u><u>\$ 28,146,006</u></u>

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2015	\$ 3,321,021	59.3%	\$ 28,146,006
12/31/2014	3,270,236	54.6%	26,795,985
12/31/2013	4,172,525	45.0%	25,310,749

The funded status of the plan as of January 1, 2014, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 51,018,862
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 51,018,862
Funded ratio (actuarial value of plan assets/AAL)	0 %
Covered payroll (active plan members)	\$ 17,803,461
UAAL as percentage of covered payroll	286.6%

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, 2015

NOTE IV – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

In the January 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 3.00 percent investment rate of return and an annual healthcare cost trend rate of 5.50 percent initially and reduced by decrements to an ultimate rate of 4.40 percent after sixty-five 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, 2015, 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 2015, 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 the following:

- Statement No. 72, *Fair Value Measurement and Application*
- Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- Statement No. 77, *Tax Abatement Disclosures*
- Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*

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

CITY OF OAK CREEK

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

G. *SUBSEQUENT EVENTS*

In June 2016, the City issued \$5.75 million of General Obligation Promissory Notes. The proceeds of these bonds will be used for future projects with TIF No. 11.

In July 2016, the Joint Review Board approved the creation of Tax Incremental Financing District No. 12.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAK CREEK

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance with Final Budget
TAXES			
General property taxes	\$ 12,599,175	\$ 12,593,049	\$ (6,126)
Motel room tax	457,000	457,000	-
Mobile home taxes	77,400	66,327	(11,073)
Other taxes	50,800	14,032	(36,768)
TOTALS	<u>13,184,375</u>	<u>13,130,408</u>	<u>(53,967)</u>
INTERGOVERNMENTAL REVENUES			
Shared taxes from state	3,036,700	3,038,280	1,580
State transportation aids	1,916,225	1,912,517	(3,708)
State computer aids	101,535	135,298	33,763
Other state aids	4,100	5,724	1,624
Health department block grant	4,500	1,791	(2,709)
Police grants	131,092	132,128	1,036
County aids	57,234	-	(57,234)
TOTALS	<u>5,251,386</u>	<u>5,225,738</u>	<u>(25,648)</u>
REGULATION AND COMPLIANCE			
Licenses			
Liquor and beer	34,125	56,281	22,156
Publishing fees	830	840	10
Operators	18,500	28,420	9,920
Amusement devices	10,500	7,785	(2,715)
Amusement operators	1,200	1,050	(150)
Electrical	4,100	50	(4,050)
Miscellaneous - business	10,000	11,390	1,390
Miscellaneous - non-business	75	32	(43)
DATCP	16,700	19,000	2,300
FSRL	45,400	43,911	(1,489)
Landfill	500	900	400
Permits			
Building	390,000	521,360	131,360
Electrical	80,000	170,373	90,373
Plumbing	65,000	114,200	49,200
Street opening	10,000	3,209	(6,791)
Erosion control	10,000	11,762	1,762
Fire inspections	2,600	4,037	1,437
Sundry	1,000	405	(595)
Cable TV	295,000	272,802	(22,198)
AT&T video service	160,000	201,792	41,792
Court fines	415,000	391,080	(23,920)
TOTALS	<u>1,570,530</u>	<u>1,860,679</u>	<u>290,149</u>
PUBLIC CHARGES FOR SERVICES			
General Government			
Property status letter fees	6,500	6,810	310
Administrative fees	17,000	35,955	18,955
Photo copies sold	1,500	1,370	(130)
Zoning/housing appeal fees	800	750	(50)
Rezoning petitions and filing fees	775	3,100	2,325
Text amendment fees	500	500	-
Right of way vacation fees	575	-	(575)
Special use request fees	9,500	12,075	2,575
Filing fee - certified survey maps	5,000	8,425	3,425
Plan commission agenda fees	8,500	11,185	2,685

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, 2015

	<u>Original and</u>		<u>Variance with</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>
PUBLIC CHARGES FOR SERVICES (cont.)			
General Government (cont.)			
Map amendments	\$ 1,200	\$ 775	\$ (425)
Subdivision plat fees	500	875	375
Public Safety			
State DWI seizures	2,400	1,904	(496)
Police patrol service fees	4,500	2,747	(1,753)
Miscellaneous fees	2,000	2,740	740
Copies of police and fire reports	3,000	3,434	434
False alarm penalties	5,700	4,350	(1,350)
Health and Sanitation			
Health Department			
Clinic fees	8,000	12,623	4,623
Pet license fees/Humane Society	16,000	10,315	(5,685)
Public Works			
Weed cutting	13,700	17,753	4,053
Sale of culvert pipe	10,000	7,947	(2,053)
Culvert installation	1,000	-	(1,000)
Library			
Other income	17,400	15,045	(2,355)
Photocopies	5,500	5,272	(228)
Recreation	115,000	119,912	4,912
Sanitarian			
Pre-inspection	-	10	10
Regular service fee	4,000	2,443	(1,557)
Miscellaneous charges for services	<u>3,100</u>	<u>3,083</u>	<u>(17)</u>
TOTALS	<u>263,650</u>	<u>291,398</u>	<u>27,748</u>
INVESTMENT INCOME			
Investment Income			
Investments	279,149	109,287	(169,862)
Taxes	<u>75,000</u>	<u>68,608</u>	<u>(6,392)</u>
TOTALS	<u>354,149</u>	<u>177,895</u>	<u>(176,254)</u>
MISCELLANEOUS INCOME			
Land rentals	100	-	(100)
AT&T American tower lease	27,600	27,600	-
Insurance incentives	71,900	228,714	156,814
Insurance recoveries	22,300	18,464	(3,836)
P-card rebates	12,000	8,329	(3,671)
Miscellaneous revenues	<u>10,000</u>	<u>10,675</u>	<u>675</u>
TOTALS	<u>143,900</u>	<u>293,782</u>	<u>149,882</u>
INTERFUND CHARGES FOR SERVICES			
Engineering and administration charged to capital projects	121,200	-	(121,200)
Engineering and administration charged to TID projects	200,000	200,000	-
Highway equipment service fee	5,000	1,085	(3,915)
Administrative services charged to enterprise funds	<u>45,000</u>	<u>40,000</u>	<u>(5,000)</u>
TOTALS	<u>371,200</u>	<u>241,085</u>	<u>(130,115)</u>
TOTAL REVENUES	<u>\$ 21,139,190</u>	<u>\$ 21,220,985</u>	<u>\$ 81,795</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, 2015

	Original and Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT			
General government	\$ 2,764,810	\$ 2,506,390	\$ 258,420
Building maintenance	584,421	482,158	102,263
City administrator	922,499	911,871	10,628
Data processing	805,208	789,659	15,549
City clerk	202,565	205,149	(2,584)
Treasurer	199,041	192,557	6,484
Finance	295,514	292,380	3,134
Assessor	197,430	181,331	16,099
Attorney and legal	242,606	189,526	53,080
Community development	272,595	244,885	27,710
TOTALS	<u>6,486,689</u>	<u>5,995,906</u>	<u>490,783</u>
PUBLIC SAFETY			
Police department	7,813,685	7,349,392	464,293
Emergency operations	30,950	8,241	22,709
Fire department	1,834,835	2,071,518	(236,683)
Inspection	530,208	516,783	13,425
Other	95,310	100,278	(4,968)
TOTALS	<u>10,304,988</u>	<u>10,046,212</u>	<u>258,776</u>
HEALTH AND SOCIAL SERVICES			
Health department	603,828	500,080	103,748
TOTALS	<u>603,828</u>	<u>500,080</u>	<u>103,748</u>
PUBLIC WORKS			
Engineering	759,153	684,984	74,169
Streets	2,968,302	2,913,777	54,525
TOTALS	<u>3,727,455</u>	<u>3,598,761</u>	<u>128,694</u>
LEISURE ACTIVITIES			
Conservation and recreation	573,249	588,695	(15,446)
Library	853,350	786,238	67,112
Parks	498,326	488,053	10,273
TOTALS	<u>1,924,925</u>	<u>1,862,986</u>	<u>61,939</u>
TOTAL EXPENDITURES	<u>23,047,885</u>	<u>22,003,945</u>	<u>1,043,940</u>
OTHER FINANCING SOURCES (USES)			
Sale of city equipment	20,000	13,767	(6,233)
Transfer in	205,023	107,701	(97,322)
Transfer in - tax equivalent	1,683,672	1,719,547	35,875
Transfer out	-	(945,411)	(945,411)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,908,695</u>	<u>895,604</u>	<u>(1,013,091)</u>
Net Change in Fund Balance	-	112,644	112,644
FUND BALANCE - Beginning of Year	<u>7,483,401</u>	<u>7,483,401</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,483,401</u>	<u>\$ 7,596,045</u>	<u>\$ 112,644</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, 2015

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 3,551,590	\$ 3,551,590	\$ -
Intergovernmental	141,308	134,419	(6,889)
Public charges for services	1,065,000	1,075,850	10,850
Investment income	-	903	903
Miscellaneous	<u>100</u>	<u>1,643</u>	<u>1,543</u>
Total Revenues	<u>4,757,998</u>	<u>4,764,405</u>	<u>6,407</u>
EXPENDITURES			
Public Safety	<u>4,659,243</u>	<u>4,461,774</u>	<u>197,469</u>
Total Expenditures	<u>4,659,243</u>	<u>4,461,774</u>	<u>197,469</u>
Net Change in Fund Balance	98,755	302,631	203,876
FUND BALANCE (Deficit) - Beginning of year	<u>(197,478)</u>	<u>(197,478)</u>	<u>-</u>
FUND BALANCE (Deficit) - ENDING OF YEAR	<u>\$ (98,723)</u>	<u>\$ 105,153</u>	<u>\$ 203,876</u>

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

CITY OF OAK CREEK

SCHEDULE OF FUNDED STATUS
OTHER POST EMPLOYMENT BENEFITS PLAN - HEALTH CARE
December 31, 2015

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)
1/1/14	\$ -	\$ 51,018,862	\$ 51,018,862	0%	\$ 17,803,461	286.6%
1/1/12	-	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%

CITY OF OAK CREEK

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET -
WISCONSIN RETIREMENT SYSTEM
December 31, 2015

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Asset</u>	<u>Proportionate Share of the Net Pension Asset</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Asset</u>
12/31/15	0.16047000%	\$ 3,941,582	\$ 17,775,702	22.17%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2015

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 1,495,972	\$ (1,495,972)	\$ -	\$ 18,256,231	8.19%

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

CITY OF OAK CREEK

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended December 31, 2015

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.

FUNDING PROGRESS DATA

The data presented in the Schedule of Funded Status was taken from the reports 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 3.25% to 3.00% and a reduction in the estimate used for expected monthly medical costs and premiums per retiree.

WISCONSIN RETIREMENT SYSTEM

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

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

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

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

SUPPLEMENTARY INFORMATION

CITY OF OAK CREEK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2015

	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	Consolidated Dispatch Services Fund
ASSETS												
Cash and investments	\$ 332,381	\$ 501,693	\$ 243,763	\$ 9,644	\$ 242,429	\$ 1,928,797	\$ 607,260	\$ 389,967	\$ -	\$ 560	\$ 215,349	\$ -
Taxes receivable	1,292,438	-	-	-	-	205,723	-	-	-	-	734,171	1,009,045
Accounts receivable	-	183	-	-	8,450	-	-	-	430,774	-	-	117,500
Special assessments receivable	-	-	-	-	-	875,106	-	-	-	-	-	-
Loans receivable	-	-	-	6,503	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	314,900	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-	1,921,328	56,056	-	-
TOTAL ASSETS	\$ 1,624,819	\$ 501,876	\$ 243,763	\$ 16,147	\$ 250,879	\$ 3,009,626	\$ 922,160	\$ 389,967	\$ 2,352,102	\$ 56,616	\$ 949,520	\$ 1,126,545
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES												
Liabilities												
Accounts payable	\$ 185,300	\$ 13,348	\$ 4,666	\$ -	\$ -	\$ -	\$ 16,079	\$ -	\$ -	\$ -	\$ 2,477	\$ 110,640
Accrued liabilities	565	-	17,976	-	-	-	1,722	-	-	-	13,426	33,665
Deposits	-	-	-	-	-	-	-	389,967	-	-	-	-
Due to other funds	-	-	-	-	-	575,192	-	-	-	-	1,906	172,606
Total Liabilities	185,865	13,348	22,642	-	-	575,192	17,801	389,967	-	-	17,809	316,911
Deferred Inflows of Resources												
Unearned revenues	1,292,438	-	-	-	-	-	-	-	-	-	734,171	1,009,045
Unavailable revenues	-	-	-	6,503	-	731,097	-	-	-	-	-	-
Total Deferred Inflows of Resources	1,292,438	-	-	6,503	-	731,097	-	-	-	-	734,171	1,009,045
Fund Balances (Deficit)												
Restricted	-	488,528	-	9,644	250,879	-	-	-	2,352,102	56,616	197,540	-
Committed	146,516	-	221,121	-	-	1,703,337	904,359	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-	-	-	-	-	(199,411)
Total Fund Balances (Deficit)	146,516	488,528	221,121	9,644	250,879	1,703,337	904,359	-	2,352,102	56,616	197,540	(199,411)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,624,819	\$ 501,876	\$ 243,763	\$ 16,147	\$ 250,879	\$ 3,009,626	\$ 922,160	\$ 389,967	\$ 2,352,102	\$ 56,616	\$ 949,520	\$ 1,126,545

CITY OF OAK CREEK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (cont.)
As of December 31, 2015

	Debt Service Funds		Capital Projects Funds				Total Nonmajor Governmental Funds
	TIF No. 4 Debt Service Fund	TIF No. 6 Debt Service Fund	Developer Agreement Fund	TIF No. 7 Capital Projects Fund	TIF No. 9 Capital Projects Fund	TIF No. 10 Capital Projects Fund	
ASSETS							
Cash and investments	\$ -	\$ 1,423,014	\$ -	\$ 1,791,247	\$ 571,776	\$ 501,722	\$ 8,759,602
Taxes receivable	561,417	436,362	-	170,058	-	384,860	4,794,074
Accounts receivable	-	-	21,446	-	-	-	578,353
Special assessments receivable	-	-	-	-	-	-	875,106
Loans receivable	-	-	-	-	-	-	6,503
Due from other funds	-	-	-	-	-	-	314,900
Restricted cash and investments	-	-	-	-	-	-	1,977,384
TOTAL ASSETS	\$ 561,417	\$ 1,859,376	\$ 21,446	\$ 1,961,305	\$ 571,776	\$ 886,582	\$ 17,305,922
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 571,776	\$ -	\$ 904,286
Accrued liabilities	-	-	-	-	-	-	67,354
Deposits	-	-	-	-	-	-	389,967
Due to other funds	268,795	-	52,834	314,900	-	-	1,386,233
Total Liabilities	268,795	-	52,834	314,900	571,776	-	2,747,840
Deferred Inflows of Resources							
Unearned revenues	561,417	436,362	-	170,058	-	384,860	4,588,351
Unavailable revenues	-	-	-	-	-	-	737,600
Total Deferred Inflows of Resources	561,417	436,362	-	170,058	-	384,860	5,325,951
Fund Balances (Deficit)							
Restricted	-	1,423,014	-	1,476,347	-	501,722	6,756,392
Committed	-	-	-	-	-	-	2,975,333
Unassigned (Deficit)	(268,795)	-	(31,388)	-	-	-	(499,594)
Total Fund Balances (Deficit)	(268,795)	1,423,014	(31,388)	1,476,347	-	501,722	9,232,131
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 561,417	\$ 1,859,376	\$ 21,446	\$ 1,961,305	\$ 571,776	\$ 886,582	\$ 17,305,922

CITY OF OAK CREEK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Special Revenue Funds											Consolidated
	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	Dispatch Services Fund
REVENUES												
Taxes	\$ 1,212,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,656	\$ -	\$ -	\$ -	\$ -	\$ 1,118,458
Intergovernmental	94,368	74,402	-	-	-	-	-	-	-	-	-	247,735
Public charges for service	4,077	-	-	-	33,221	-	-	-	1,116,663	-	740,109	-
Special assessments / developer contributions	-	-	-	-	-	206,006	-	-	-	-	-	-
Investment income	1,124	-	1,210	1,838	-	60,047	436	-	-	66	816	1,642
Miscellaneous	29,224	162,940	2,250,000	-	-	-	-	-	-	29,433	-	-
Total Revenues	1,340,978	237,342	2,251,210	1,838	33,221	266,053	451,092	-	1,116,663	29,499	740,925	1,367,835
EXPENDITURES												
Current												
General Government	-	-	12,491	-	-	-	-	-	-	-	-	-
Public safety	-	35,741	1,042,682	-	-	-	-	-	1,136	10,912	-	-
Public works	1,304,109	-	-	-	-	-	-	-	-	-	627,291	1,470,306
Health and human services	-	91,100	-	-	-	-	-	-	-	-	-	-
Leisure activities	-	269,173	-	-	5,283	-	-	-	2,810	-	-	-
Conservation and development	-	-	-	-	-	-	173,012	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	16,325	-	-	-	-	-
Debt Service												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	1,304,109	396,014	1,055,173	-	5,283	-	189,337	-	3,946	10,912	627,291	1,470,306
Excess (deficiency) of revenues over expenditures	36,869	(158,672)	1,196,037	1,838	27,938	266,053	261,755	-	1,112,717	18,587	113,634	(102,471)
OTHER FINANCING SOURCES (USES)												
Transfers in	-	217,626	-	-	-	-	-	-	-	-	-	-
Transfers out	(44,052)	-	(1,000,000)	-	(241,983)	(100,000)	-	-	(395,342)	-	(100,000)	-
Total Other Financing Sources (Uses)	(44,052)	217,626	(1,000,000)	-	(241,983)	(100,000)	-	-	(395,342)	-	(100,000)	-
Net change in fund balances	(7,183)	58,954	196,037	1,838	(214,045)	166,053	261,755	-	717,375	18,587	13,634	(102,471)
FUND BALANCES (DEFICIT) - Beginning of Year	153,699	429,574	25,084	7,806	464,924	1,537,284	642,604	-	1,634,727	38,029	183,906	(96,940)
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 146,516	\$ 488,528	\$ 221,121	\$ 9,644	\$ 250,879	\$ 1,703,337	\$ 904,359	\$ -	\$ 2,352,102	\$ 56,616	\$ 197,540	\$ (199,411)

CITY OF OAK CREEK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Cont.)
For the Year Ended December 31, 2015

	Debt Service Funds		Capital Projects Funds				Total Nonmajor Governmental Funds
	TIF No. 4 Debt Service Fund	TIF No. 6 Debt Service Fund	Developer Agreements Fund	TIF No. 7 Capital Projects Fund	TIF No. 9 Capital Projects Fund	TIF No. 10 Capital Projects Fund	
REVENUES							
Taxes	\$ 574,757	\$ 489,497	\$ -	\$ 65,148	\$ 30,345	\$ 425,781	\$ 4,366,827
Intergovernmental	4,663	5,575	-	23,731	717	17,895	489,086
Public charges for service	-	-	-	-	-	-	1,894,070
Special assessments / developer contributions	-	-	5,000	-	-	-	211,006
Investment income	62	193	-	75	287	927	68,723
Miscellaneous	-	-	-	-	-	-	2,471,597
Total Revenues	<u>579,482</u>	<u>495,265</u>	<u>5,000</u>	<u>88,954</u>	<u>31,349</u>	<u>444,603</u>	<u>9,481,309</u>
EXPENDITURES							
Current							
General Government	-	-	-	-	-	-	12,491
Public Safety	-	-	-	-	-	-	1,090,471
Public works	-	-	-	-	-	-	3,401,706
Health and human services	-	-	-	-	-	-	91,100
Leisure activities	-	-	-	-	-	-	277,266
Conservation and development	225,182	-	-	-	15,000	252,282	665,476
Capital Outlay	-	-	36,172	254,765	564,829	-	872,091
Debt Service							
Principal	360,000	150,000	-	-	-	-	510,000
Interest	150	13,650	-	4,218	11,900	150	30,068
Total Expenditures	<u>585,332</u>	<u>163,650</u>	<u>36,172</u>	<u>258,983</u>	<u>591,729</u>	<u>252,432</u>	<u>6,950,669</u>
Excess (deficiency) of revenues over expenditures	<u>(5,850)</u>	<u>331,615</u>	<u>(31,172)</u>	<u>(170,029)</u>	<u>(560,380)</u>	<u>192,171</u>	<u>2,530,640</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	379,826	-	597,452
Transfers out	(40,000)	-	-	-	-	-	(1,921,377)
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>379,826</u>	<u>-</u>	<u>(1,323,925)</u>
Net change in fund balances	(45,850)	331,615	(31,172)	(170,029)	(180,554)	192,171	1,206,715
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(222,945)</u>	<u>1,091,399</u>	<u>(216)</u>	<u>1,646,376</u>	<u>180,554</u>	<u>309,551</u>	<u>8,025,416</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (268,795)</u>	<u>\$ 1,423,014</u>	<u>\$ (31,388)</u>	<u>\$ 1,476,347</u>	<u>\$ -</u>	<u>\$ 501,722</u>	<u>\$ 9,232,131</u>