

**VILLAGE OF SOMERS
KENOSHA COUNTY, WISCONSIN**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2023**

Andrea & Orendorff LLP
10411 Corporate Drive, Suite 104
Pleasant Prairie, WI 53158
(262) 657-7716

VILLAGE OF SOMERS

Table of Contents December 31, 2023

	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	22
Statement of Activities	23
Fund Financial Statements	
Balance Sheet — Governmental Funds	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes in Fund Balances — Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual — General Fund	28
Statement of Net Position — Proprietary Funds	29
Statement of Revenues, Expenses, and Changes in Fund Net Position — Proprietary Funds	31
Statement of Cash Flows — Proprietary Funds	32
Statement of Net Position — Fiduciary Funds	34
Statement of Changes in Net Position — Fiduciary Funds	35
Notes to the Financial Statements	36
Required Supplementary Information	95
Schedule of Changes in Health Insurance OPEB Liability	96

Schedule of Proportionate Share of the Net OPEB Liability (Asset) – Retiree Health Insurance Plan – Last 10 Fiscal Years	96
Schedule of Proportionate Share of the Net OPEB Liability (Asset) – Local Government Life Insurance Fund – Last 10 Fiscal Years	97
Schedule of Proportionate Share of the Net OPEB Liability (Asset) – Wisconsin Retirement System – Last 10 Fiscal Years	98
Schedule of Employer Contributions – Wisconsin Retirement System – Last 10 Fiscal Years	98
Notes to Required Supplementary Information	99
Supplementary Information	101
Combining Balance Sheet – Nonmajor Governmental Funds	102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	104
Combining Balance Sheet – Debt Service Fund	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Debt Service Funds	108



10411 Corporate Drive
Suite 104
Pleasant Prairie, WI 53158
PHONE 262.657.7716
www.aocpa.net

INDEPENDENT AUDITOR'S REPORT

To the Village Board
Village of Somers
Kenosha County, Wisconsin

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Somers, Wisconsin as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to previously present fairly the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Somers, Wisconsin, as of December 31, 2023, or the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Somers, Wisconsin, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 21, and the OPEB and pension schedules on pages 96 through 98 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Somers, Wisconsin's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Village of Somers 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated November 7, 2023. In our opinion, the summarized comparative information for the government funds presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Andrea E. Orendorff LLP

Andrea & Orendorff LLP
Pleasant Prairie, Wisconsin
September 24, 2024

**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

Our discussion and analysis of the Village of Somers's (the Village) financial performance provides an overview of the Village's financial activities for the year ended December 31, 2023.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position, the Statement of Activities, and the Fund financial statements provide information about the long-term finances and the activities of the Village as a whole. Governmental activities reflect how services were financed in the short-term and what balance remains for future spending. The Village's fund financial statements report the Village's operations in more detail than government-wide statements. The Statement of Net Position and Statement of Activities provide information about the Village's most significant funds. Our analysis of the Village as a whole begins on page 22.

Reporting the Village as a Whole

One of the most important questions asked about the Village's finances - "Is the Village as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting. Most private-sector companies use accrual basis of accounting. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Village's net position and changes in them. You can think of the Village's net position - the difference between assets and liabilities - as one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the Village's financial health, you will need to consider other non-financial factors, such as changes in the Village's property tax base and the condition of the Village's roads, both of which have shown significant improvement.

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the Village's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing, through fees and grants.

In the Statement of Net Position and the Statement of Activities, we divide the Village into three kinds of activities:

Governmental activities: Most of the Village's basic services are reported here, including public safety, highway, parks, planning, capital projects, and administration. Property taxes, licensure fees, fines, donations, and state and federal grants finance most of these activities.

**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

Reporting the Village as a Whole (continued)

Governmental Activities: (continued)

The functions and programs of the primary government, along with the composition of each function by Village department are listed below.

- General Government includes the Village Board, Municipal Court, Village office, Clerk-Treasurer, Elections, Board of Review, Village Assessor, audit fees, legal fees, engineering, Village Hall, membership dues, advertising and publications, property and liability insurance, and Debt Service payments.
- Public Safety includes the Somers Fire and Rescue department and the Village's Building Inspection department. Public Safety also includes payments under a contract with the Kenosha County Sheriff's Department for general law enforcement services provided by the County 24 hours per day.
- Public Works includes the maintenance of all Village & Town roads, operation of municipal sewer & water utilities, related facilities and street lighting.
- Solid Waste Collection is a contracted service for garbage and recycling pickup.
- Leisure Activities includes a recreation program which offers softball, soccer, golf & basketball.
- Conservation and Development includes the Plan Commission, the Board of Appeals, the Park Committee, and the eleven Tax Incremental Districts. In an effort to save costs, the Village contracts with Kenosha County Planning & Development for zoning oversight.

Business-type activities:

The Village charges fees to customers for the business-type services it provides. The business-type activities include the Somers Water Utility, Storm Water Utility, and the two sewer utilities – KR and Utility District #1. Water rates are established by the Public Service Commission of Wisconsin based on fact and circumstances presented in rate case petitions by the water utility management. Once granted, water rates are implemented with the review and approval of the Somers Water Commissioners. Rates for sewer service are established by the sewer utility management subject to approval by the Village of Somers Sewer Commission.

Fiduciary activities:

The Village collects property taxes on behalf of other governments. Collected taxes are included in cash and offset with a matching liability to the government. Uncollected taxes are recorded as a receivable.

**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

Reporting the Village's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds - not the Village as a whole. The Village, by the nature of its activity, utilizes three types of funds – governmental, proprietary, and fiduciary, requiring different accounting approaches.

Governmental Funds

Most of the Village's basic services are reported in Governmental Funds, which focus on how money flows in and out of those funds and balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides.

Governmental Fund information helps determine the financial resources that can be spent in the near future to finance the Village's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations following the respective Governmental Funds' statements.

The Governmental Funds include the General Fund, a 10-year Capital Projects Fund, Debt Service Funds, and Tax Incremental Districts #1-11. Additionally, the Village reports other governmental activities including park improvement, restricted federal funding, and drainage as non-major Special Revenue funds. The General Fund includes General Government, Public Safety, Public Works, Solid Waste Collection, Leisure Activities, and Conservation and Development. The Capital Projects Fund is used to account for infrastructure projects, developer's incentive payments & on-going TIF project expenses. The Debt Service Fund serves as a clearing account for present and future debt payments.

Proprietary Funds

The Village uses Proprietary Funds to account for its business-type activities such as the Somers Water Utility, Storm Water Utility, the KR Sewer District, and Utility District #1. The Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Village's Proprietary Fund is the same as the business-type activities we report in the government-wide statements but provides more detail and additional information such as cash flows.

Fiduciary Funds

The Village uses a Fiduciary Fund to account for taxes collected by the Village on behalf of other municipalities. The fiduciary fund is reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

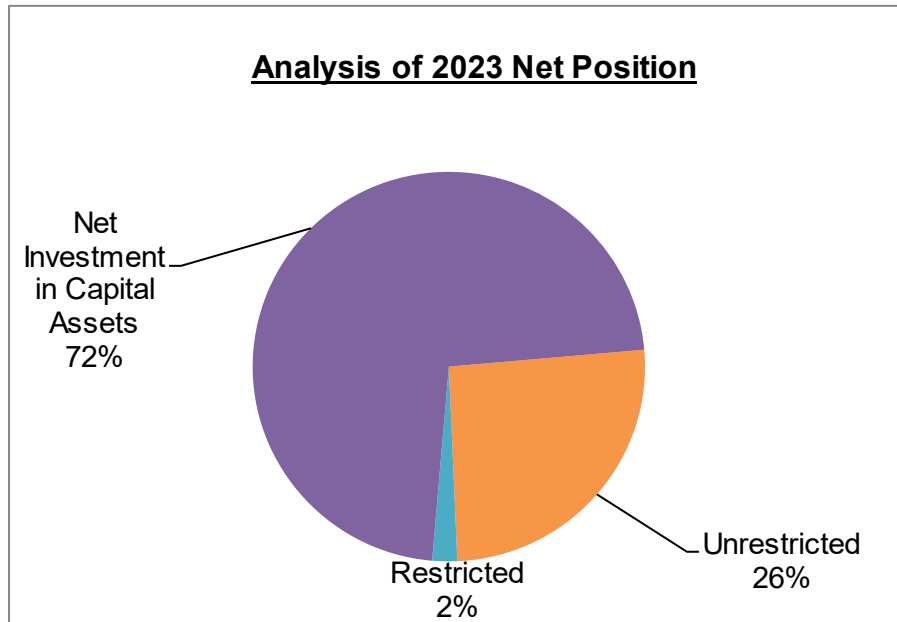
The Village as a Whole

Government-wide Financial Analysis

The condensed financial statements on page 8 and 9 present the net position of the Village and changes in net position. These statements are presented with comparisons to 2022. Net position may serve over time as a useful indicator of a government's financial position. In 2023, the Village's assets exceeded liabilities by \$62,218,129 as compared to having assets in excess of liabilities of \$54,506,828 in 2022.

The largest portion of the Village's 2023 net position (72%, compared to 78% for 2022) reflects the Village's investment in capital assets less any outstanding related debt used to acquire those assets. The Village uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net position of approximately \$16,000,000 (\$11,000,000 for 2022) is in the category of unrestricted net assets which may be used to meet the Village's ongoing obligations to citizens and creditors. This represents 26% and 20% of total net position each year, respectively.

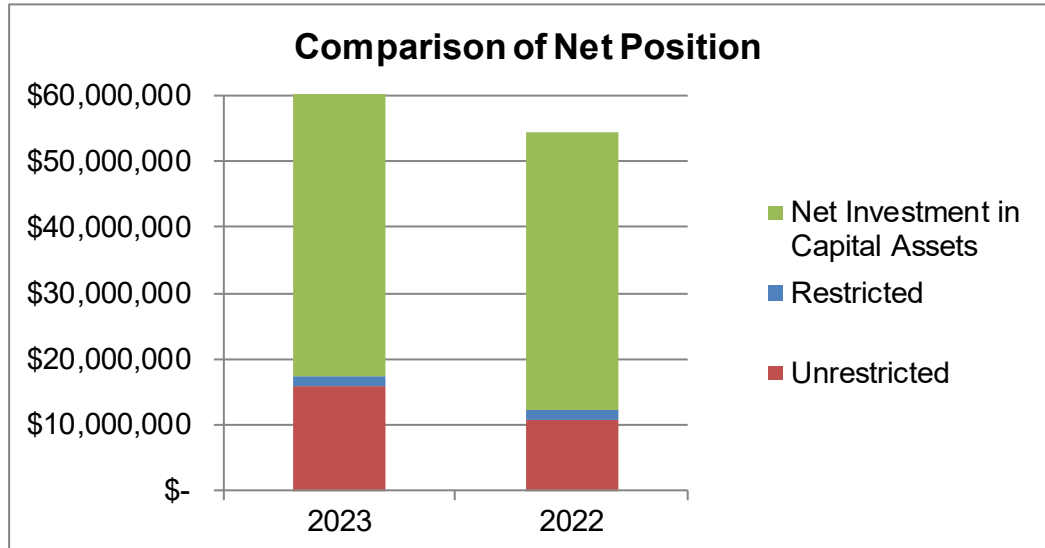
In 2023 and for 2022, restricted net position was 2% of the total.



**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

The Village as a Whole (continued)

Government-wide Financial Analysis (continued)



**VILLAGE OF SOMERS
STATEMENT OF NET POSITION
December 31, 2023**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 27,283,905	\$ 22,229,595	\$ 17,737,929	\$ 17,715,680	\$ 45,021,834	\$ 39,945,275
Capital assets	17,296,043	16,825,792	63,454,172	63,217,801	80,750,215	80,043,593
Total Assets	<u>44,579,948</u>	<u>39,055,387</u>	<u>81,192,101</u>	<u>80,933,481</u>	<u>125,772,049</u>	<u>119,988,868</u>
Deferred outflow s of resources	2,990,769	2,444,274	431,625	345,666	3,422,394	2,789,940
Long-term liabilities outstanding	34,674,653	32,691,685	13,913,606	15,468,329	48,588,259	48,160,014
Other liabilities	4,163,428	4,928,725	2,382,306	2,913,984	6,545,734	7,842,709
Total liabilities	<u>38,838,081</u>	<u>37,620,410</u>	<u>16,295,912</u>	<u>18,382,313</u>	<u>55,133,993</u>	<u>56,002,723</u>
Deferred inflow s of resources	11,537,241	11,881,800	305,080	387,457	11,842,321	12,269,257
Net position:						
Net investment in capital assets	14,295,468	13,579,866	30,661,225	28,721,472	44,956,693	42,301,338
Restricted	1,270,691	1,152,950	-	144,248	1,270,691	1,297,198
Unrestricted	(18,370,764)	(22,735,365)	34,361,509	33,643,657	15,990,745	10,908,292
Total Net Position	<u>\$ (2,804,605)</u>	<u>\$ (8,002,549)</u>	<u>\$ 65,022,734</u>	<u>\$ 62,509,377</u>	<u>\$ 62,218,129</u>	<u>\$ 54,506,828</u>

**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

The Village as a Whole (continued)

Government-wide Financial Analysis (continued)

**VILLAGE OF SOMERS
CHANGES IN NET POSITION
For the Year Ended December 31, 2023**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 2,712,706	\$ 2,443,321	\$ 5,144,166	\$ 4,585,089	\$ 7,856,872	\$ 7,028,410
Operating grants and contributions	493,702	830,298	-	19,452	493,702	849,750
General revenues:						
Property taxes	3,793,312	3,636,784	-	-	3,793,312	3,636,784
Other taxes	4,022,095	4,401,267	-	-	4,022,095	4,401,267
Grants and contributions not restricted to specific programs	439,628	412,608	-	-	439,628	412,608
Other revenues	1,614,056	1,454,784	1,477,142	8,770,758	3,091,198	10,225,542
Total revenues	<u>13,075,499</u>	<u>13,179,062</u>	<u>6,621,308</u>	<u>13,375,299</u>	<u>19,696,807</u>	<u>26,554,361</u>
Expenses:						
General government	1,658,593	1,634,208	-	-	1,658,593	1,634,208
Public safety	3,934,989	3,114,843	-	-	3,934,989	3,114,843
Public works	1,001,475	928,335	-	-	1,001,475	928,335
Solid waste collection	790,261	729,276	-	-	790,261	729,276
Leisure activities	78,580	34,275	-	-	78,580	34,275
Conservation and development	826,826	691,446	-	-	826,826	691,446
Interest on long-term debt	693,928	583,245	-	-	693,928	583,245
Sewer	-	-	2,775,801	2,608,095	2,775,801	2,608,095
Water	-	-	1,410,260	1,229,225	1,410,260	1,229,225
Total expenses	<u>8,984,652</u>	<u>7,715,628</u>	<u>4,186,061</u>	<u>3,837,320</u>	<u>13,170,713</u>	<u>11,552,948</u>
Excess (deficiency) of revenues over expenditures	4,090,846	5,463,435	2,435,247	9,537,979	6,526,093	15,001,414
Contributions and transfers	1,107,098	(2,980,556)	(31,212)	2,980,556	1,075,886	-
Increase (decrease) in net position	5,197,944	2,482,879	2,404,035	12,518,535	7,601,979	15,001,414
Net position - beginning of year, as originally reported	(8,002,549)	(10,774,834)	62,509,377	47,222,091	54,506,828	36,447,257
Prior period adjustments	-	289,406	109,322	2,768,751	109,322	3,058,157
Net position - beginning of year, as restated	<u>(8,002,549)</u>	<u>(10,485,428)</u>	<u>62,618,699</u>	<u>49,990,842</u>	<u>54,616,150</u>	<u>39,505,414</u>
Net position - end of year	<u>\$ (2,804,605)</u>	<u>\$ (8,002,549)</u>	<u>\$ 65,022,734</u>	<u>\$ 62,509,377</u>	<u>\$ 62,218,129</u>	<u>\$ 54,506,828</u>

**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

The Village as a Whole (continued)

Government-Wide Financial Analysis (Continued)

Revenues:

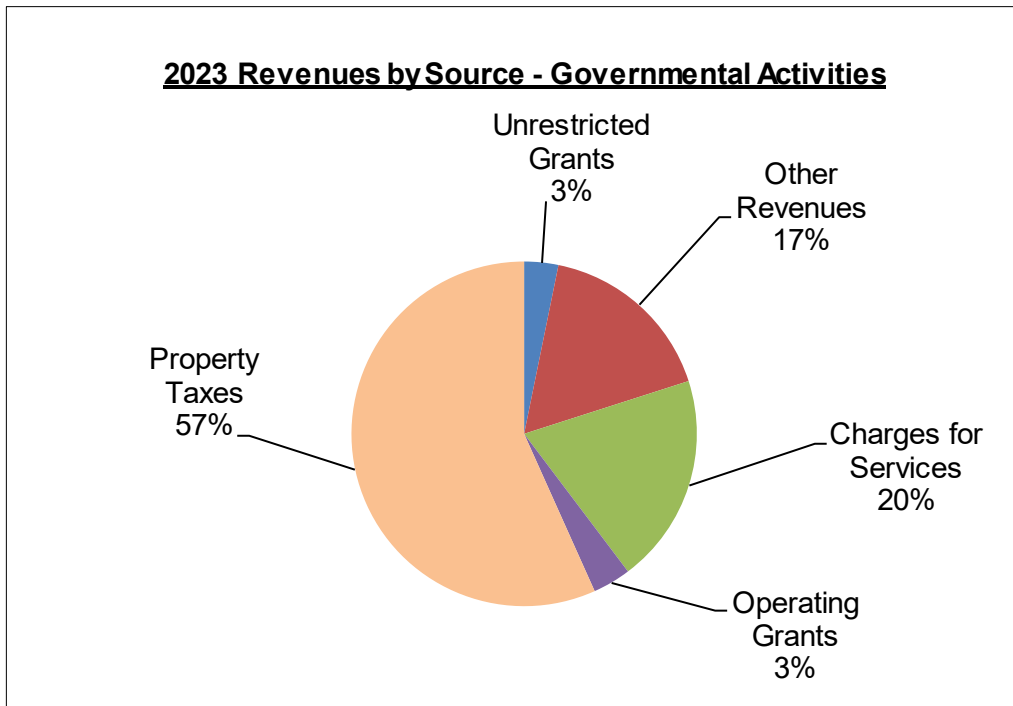
Total revenues for the Village decreased by \$6,857,555 due to prior year significant developer donations and special assessments in connection with TID development.

Expenditures:

Expenditures increased by \$1,617,766 for the Village. This is due to general inflation and increased cost of labor, materials, and other services purchased by the Village.

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES

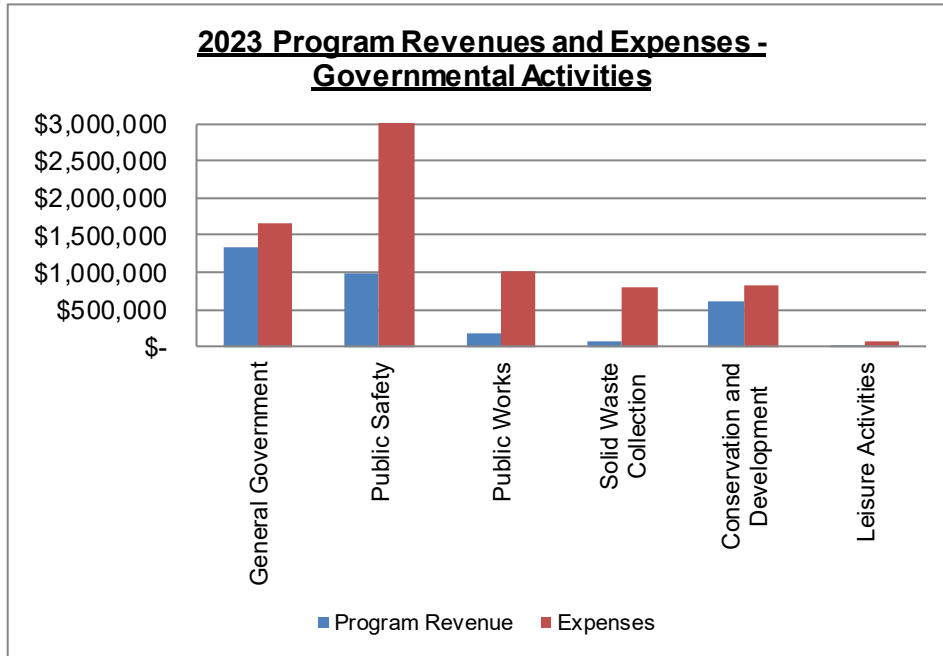
This chart illustrates the percent of revenue sources that fund the Village's governmental activities.



**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

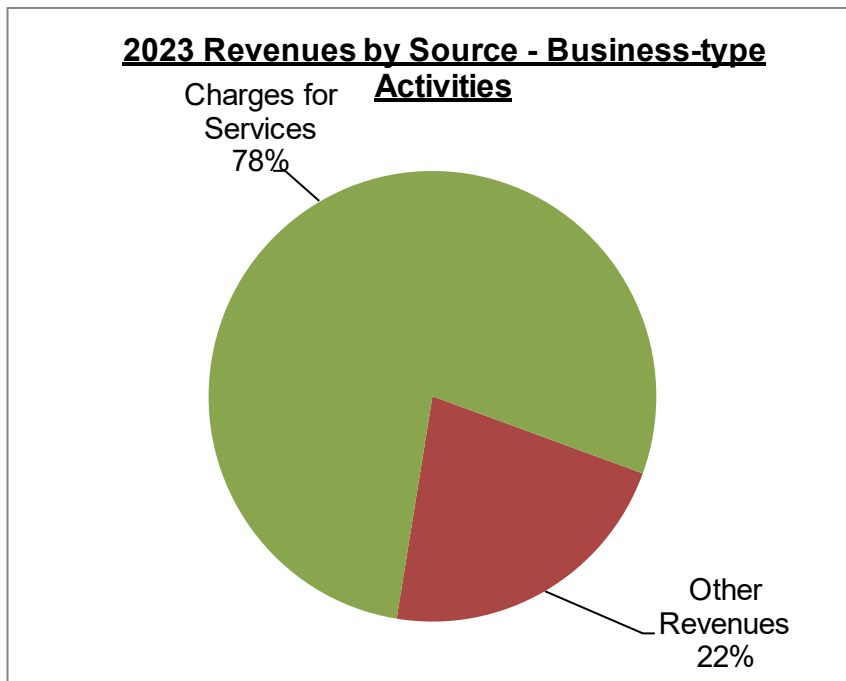
REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES (continued)

The following chart shows the portion of expenses by function that is covered by program revenues.



REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES

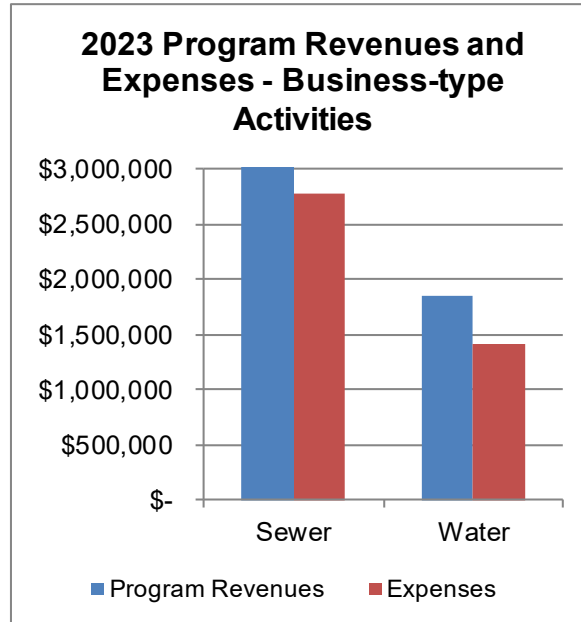
This chart illustrates the percent of revenue sources that fund the Village’s business-type activities.



**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

PROGRAM REVENUES AND EXPENSES – BUSINESS-TYPE ACTIVITIES

The following chart shows the portion of expenses by function that is covered by program revenues for business-type activities.



The Village's Funds

The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These funds, along with major changes that occurred in the Village's funds are described below.

In 2023, the Village Board continued to follow policies that cover the areas of debt and capitalization. The Village finalized a 10-year Capital Improvement Plan, long-range Financial Management Plan, and a Utility study in 2020 and continues to follow those.

General Fund

The General Fund closed out in 2023 with an increase of \$732,413, after transfers of \$1.8 million to the capital projects fund. The Unrestricted General Fund balance of \$5.8 million is 92% of General Fund expenditures. The Village's fund balance policy requires at least a seventeen percent reserve.

The following table shows total General fund balances for the past three years:

	<u>2021</u>	<u>2022</u>	<u>2023</u>
General fund	<u>\$ 3,090,240</u>	<u>\$ 5,105,730</u>	<u>\$ 5,838,139</u>

**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

The Village's Funds (continued)

Special Revenue Funds

The Parks and Drainage funds are long standing funds to be used for park and drainage improvement projects. In 2021, the ARPA fund was added to account for funds received and spent under the American Rescue Plan Act.

Since being involved with the Root-Pike Water Shed Initiative, the Village of Somers has utilized drainage funds to promote educational programs to teach the public about the benefits of preserving our natural resources. The programs chosen for this educational initiative were carefully reviewed to ensure they satisfy the requirements for the State of Wisconsin's Storm Water Management Discharge Permit.

The Park Committee's goal is to increase residents' involvement and enjoyment of their community through park land improvement. A Veteran's Walkway continues to have purchases of Memorial bricks.

ARPA funding of \$551,797 remained unspent at year-end. These funds must be expended or committed by the end of 2024.

Capital Projects Fund

The Capital Projects Fund is reviewed on an annual basis & approved by the Village Board. The Board continues to follow a 10-year Capital Projects Budget.

Debt Service Fund

The sole purpose is for servicing governmental debt. All of the Tax Incremental Districts' debt is included in the Debt Service. The fund balance closed out the year with \$8,183,193 compared to \$5,965,134 in 2022.

Tax Incremental Districts

TIF District deficits are anticipated to be funded with future incremental taxes levied over the life of the district.

Tax Incremental District #1

This District has a fund balance of \$899,727. This is due to developer incentives, administrative & engineering costs exceeding initial estimates.

Tax Incremental District #2

The Village financed projects for TID #2. The fund balance is a deficit of \$7,078. The fund's expenditures were supported by a transfer from the debt service fund.

Tax Incremental District #3

Located near I-94 and HWY 142. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 388.42 acres, with a base valuation of \$1,763,329. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$71,898,929. During the year, the District issued debt and expended funds for utility improvements, which were contributed to the Utility District. There is an ending fund deficit of \$394,731.

**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

The Village's Funds (continued)

Tax Incremental District #4

Located near CTH E and HWY 31. This is a mixed-use district, with commercial and residential uses proposed. The District encompasses 150.10 acres, with a base valuation of \$1,040,101. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$71,175,701. The Village financed projects for TID #4, resulting in the fund deficit of \$729,976.

Tax Incremental District #5

Is bisected by CTH L and runs north to south along HWY 31. This is a mixed-use district, with commercial, industrial, and residential uses proposed. The District encompasses 536.47 acres, with a base valuation of \$1,274,382. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$71,409,982. The Village financed projects for TID #5, resulting in the fund deficit of \$128,557.

Tax Incremental District #6

Located near CTH E and I-94. This is a mixed-use district, with commercial, industrial, institutional, and residential uses proposed. The District encompasses 663.34 acres, with a base valuation of \$2,238,343. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$72,373,943. During the year, the District issued debt and expended funds for utility improvements, which were contributed to the Utility District. There is an ending fund balance of \$177,022.

Tax Incremental District #7

Located near CTH KR and I-94. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 1,678.55 acres, with a base valuation of \$7,976,467. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$78,082,067. Minimal expenditures were made for the District during the year. There is an ending fund deficit of \$22,232.

Tax Incremental District #8

Located near CTH E and I-94. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 220.76 acres, with a base valuation of \$343,953. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$70,479,553. During the year, the District issued debt and expended funds for utility improvements, which were contributed to the Utility District. There is an ending fund deficit of \$242,404.

Tax Incremental District #9

Located near the lake front on the northern part of HWY 32. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 6.23 acres, with a base valuation of \$1,983,575. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$72,119,175. Minimal expenditures were made for the District during the year. There is an ending fund deficit of \$20,159.

**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

The Village's Funds (continued)

Tax Incremental District #10

Located near 11 Place and HWY 32. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 12.47 acres, with a base valuation of \$3,067,895. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the proposed District, totals \$73,203,495. Minimal expenditures were made for the District during the year. There is an ending fund deficit of \$7,753.

Tax Incremental District #11

Located near CTH S and CTH H. This is a mixed-use district, with commercial and industrial uses proposed. District encompasses 66.49 acres, with a base valuation of \$185,414. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$70,612,301. Minimal expenditures were made for the District during the year. There is an ending fund deficit of \$20,141.

Enterprise Funds

Somers Water Utility, Utility District #1, and KR Sewer Utility all operate as enterprise funds. All of the enterprise funds account for contributed capital as revenue received in the year the capital asset is recognized.

Somers Water Utility Fund

The Water Utility closed 2023 with an increase in net position of \$1,196,363 due to \$1 million of new water mains, which were paid for by developers. Management, in concert with consulting engineers and Board oversight, continues to develop Village-wide plans that address new development in areas to be serviced by municipal water.

Sewer Utility District #1 Fund

Overall, the Sewer Utility District #1 closed out the year with an increase in net position of \$1,114,015. Total net operating income for the Sewer Utility District #1 in 2023 was \$664,462. This fund has an unrestricted net position at year end 2023 of \$33.4 million.

Sewer system maintenance is critical for the health and safety of our residents. To ensure seamless service to the sewer customer base, Sewer Utility District #1 employs camera aided visual inspection to determine the need and type of periodic maintenance best suited. The District continues to use its VAC truck to maintain the Utility's infrastructure. In 2020, the District continued the sewer lateral program to reduce inflow/infiltration. This proactive approach is fully compliant both with DNR regulation and our collective concern for the environment. In 2020, the Village obtained the loan in the amount of \$5 million for the rehabilitation/replacement of sewer mains and laterals in the Sheridan Road Corridor. The loan was granted and the project began in Spring of 2021 and was completed in 2022. The Utility has seen decrease in I&I and water lateral leaks due to this project.

**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

The Village's Funds (continued)

KR Sewer Utility Fund

The KR Sewer Utility was established to service a small area along the County Highway KR border, Racine County to the north. The sewer line flows into the Mount Pleasant Interceptor Sewer and ultimately east to the Racine Sewer treatment plant.

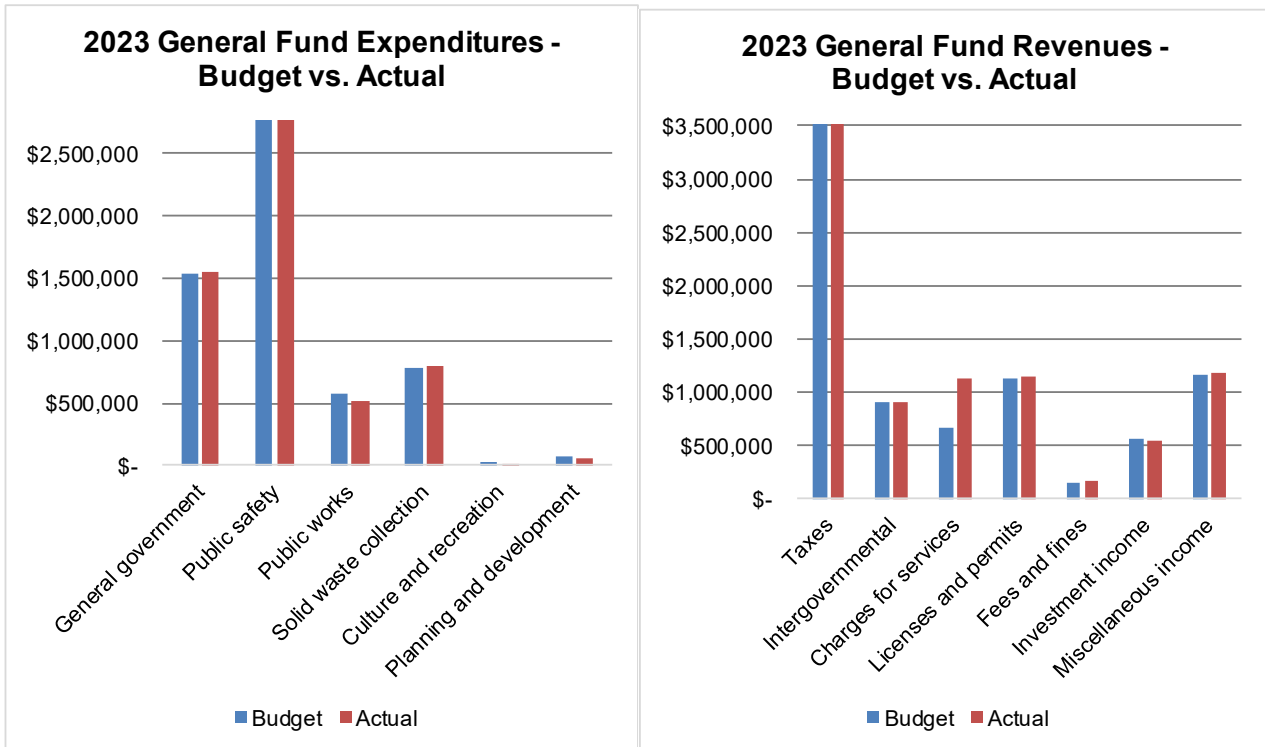
For this service, the utility pays a set amount per quarter to the Village of Mount Pleasant for the treatment of sewer and an annual rental charge for the conveyance line on KR. In 2023, the Utility experienced an operating loss of \$127,824.

The KR Sewer Utility has a multi-jurisdictional agreement to help Racine Sewer Utility reconstruct the aging treatment plant. On an annual basis, a series of calculations based on property values is performed. The agreement and the resulting calculation, determines who owes money to City of Racine Sewer Utility and who receives money.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village General Fund has fund balance of \$5,838,139 which is a \$732,413 increase from 2022.

Below is a summary of the General Fund's actual revenues and expenditures compared to budgeted amounts.



**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of December 2023, the Village had \$80,750,215 invested in capital assets including buildings, parks, vehicles, equipment, and infrastructure. See Note IV C. on page 60 for more detail on capital assets. A summary report of capital assets is as follows:

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Intangible Assets	\$ 60,015	\$ 60,015	\$ 60,393	\$ 60,393	\$ 120,408	\$ 120,408
Construction in Progress	-	-	444,105	5,380,222	444,105	5,380,222
Land	1,143,695	1,143,695	4,000	-	1,147,695	1,143,695
Land Improvements	4,928,577	5,053,403	-	-	4,928,577	5,053,403
Utility Plant in Service	-	-	75,688,756	69,511,577	75,688,756	69,511,577
Buildings	6,090,534	6,077,534	-	-	6,090,534	6,077,534
Machinery & Equipment	7,085,764	6,387,742	3,356,468	2,852,987	10,442,232	9,240,729
Infrastructure	12,481,870	12,856,348	-	-	12,481,870	12,856,348
Total Capital Assets	31,790,455	31,578,737	79,553,722	77,805,179	111,344,177	109,383,916
Less: Accumulated Depreciation	(14,494,414)	(14,752,945)	(16,099,548)	(14,591,378)	(30,593,962)	(29,344,323)
Total Net Capital Assets	\$ 17,296,041	\$ 16,825,792	\$ 63,454,174	\$ 63,213,801	\$ 80,750,215	\$ 80,039,593

Debt

At the end of the year, the Village's outstanding general obligation (GO) debt and Revenue Bonds totaled \$34,967,712. See Note IV E. on page 64 for more detail on debt.

Bonded Debt Outstanding 12/31/22	\$ 35,035,600
Bonded Debt Issued	3,435,000
Bonded Principal Retired	(3,502,888)
Bonded Debt Outstanding 12/31/23	<u>\$ 34,967,712</u>

Breakdown of Outstanding Bonded Debt:

Revenue Bonds	\$ 14,967,712
General Obligation Debt	20,000,000
Bonded Debt Outstanding 12/31/23	<u>\$ 34,967,712</u>

Management has calculated the net pension expense and asset as required by the Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions*, as well as the expenses and liabilities for other post-employment benefits required by GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Please see Note V A. on page 75 and Note V B. on page 81 for further information on this calculation.

**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

ECONOMIC FACTORS AND DEVELOPMENT PROJECT UPDATES

Somers is a small community located along Interstate 94 (I-94) in southeastern Wisconsin's Kenosha County, between Milwaukee and Chicago. With a board and management team that have recently instituted a number of fiscal planning practices and policy changes, the Village has seen solid financial performance over the past three fiscal years after recovering from a period of negative reserves and weak budgetary performance. We expect the Village to sustain a structurally balanced budget with very strong reserves going forward. The Village has continued to invest heavily in bringing infrastructure to the I-94 Corridor area. These investments have spurred interest in the area and the Village is starting to see the fruits of its efforts.

The DNR received a straddling community diversion application from the Village of Somers in February 2021. After receiving the application, the DNR invited the public to provide comments on the application and received public testimony at a hearing in November 2021. The Village received notice in February of 2022 that its diversion request was approved. This will allow the Village to divert up to an annual average of 1.2 million gallons of water per day over the subcontinental divide and allow the Village to serve new development with municipal utilities.

Two Tax Incremental Financing Districts were created in 2015 in order to facilitate economic development and have proven to be highly successful. TIF District #1 encompasses the First Park LLC development. The first building was completed in June 2016 and a second building followed shortly thereafter. Both buildings are 100% leased. In, May of 2022, Building "D" was approved by the Village. This project broke ground in late 2022. In 2023, the 451,022 sq ft building was completed. This building is expandable to 617,000 sq ft.

TIF District #2 runs along the central corridor of the Village. TID #2 abuts a Wal-Mart Supercenter and Sam's Club. It is home to a Festival Foods grocery store and Kwik Trip convenience store. It is also home to Somers Market Square Apartments. Phase 1 included 280 units and was completed in 2017. Phase 2 added an additional 50 units and was completed in 2019. They have over a 90% occupancy rate. These apartments spurred additional Commercial Development in TIF District #2. These additions include the following: Burger King; Firestone; Jiffy Lube; a multi-tenant building anchored by Starbucks, Shopko Optical, Jersey Mike's, and US Nail Bar; Dunkin Donuts, Popeye's Louisiana Chicken and Oakfire Restaurant, a 9700 square foot woodfire pizza restaurant. In 2022, a new, multi-tenant building anchor by a Taco Bell received occupancy. This building is also home to US Cellular Store, and Smoothie King. In 2022, a new Chipotle Mexican Grill Restaurant broke ground. This development was completed in 2023. Mister Car Wash entered into a development agreement in 2022 and broke ground on their facility in 2023. The Village also was approached by a firm in 2023 with intentions of bring another multi-tenant building that will be anchored by a Tropical Smoothie Café.

The Village is working with developers from throughout the country on new development. Based on this strong interest in development, the Village Board established nine (9) new TIF districts in 2018.

**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

ECONOMIC FACTORS AND DEVELOPMENT PROJECT UPDATES (continued)

TID #3 continues to take shape. In the summer of 2022, TID #3 and the Village become the home to the "World's Largest Kwik Trip". This is a 13,250 sq ft travel center, with a car wash, outside dining area, dog walking area, and 105 truck parking area. In 2021, HSA's Somers Highland Commerce center was approved. This is a 918,844 sq ft that broke ground in 2022 and will received occupancy in Q1 of 2024. In 2023, a development agreement was entered into with Stream Realty to bring three industrial/warehouse building to TID #3. Phase I will include a 612,252 sq ft building and Phase II will bring one 154,800 sq ft building and one 167,700 sq ft building.

TIF District #4 is home to the Hawthorn Luxury Apartments complex. The project was completed in 2021 and added an additional 241 units of market rate apartments. They have over a 90% occupancy rate. The WVRC Emergency Vet Clinic was also completed and occupied in 2021.

TIF District #5 saw its first development take shape in 2021. The Village entered into a development agreement with SCS Pike Creek, LLC to bring 338 units of market rate apartments to the Village. The original 88-acre parcel is located on the Northwest corner of STH 31 and CTH L. Approximately 64 acres will be home to the multi-family project and the remaining acreage will be retained by the original owner for a future commercial project. This project broke ground in 2022 and major improvements were made to CTH L to prepare for the eventual traffic it will bring. In the Spring of 2023, the major of their interior sewer and water were completed and their first buildings were erected.

TIF District #6 has continued to take shape. In 2020, The Village entered into a development agreement with Tawani Enterprises, Inc. to bring the Pritzker Archives & Memorial Park Center to Somers. The project will include a Museum Space, archival space, community green space, the world's only Cold War Memorial, and a Firearms Education and Training Center. In 2022, the Archival Building was completed. The project brought an estimated \$14.5 million dollars of sewer and water to the Village. The work on this infrastructure began in 2021 and was substantially completed in 2022. This infrastructure has opened up over 1,000 acres for potential future development. In 2023, the Pritzker Military Archive Center received occupancy and a "soft opening was held". In late 2022, "Mission 94" (the above-mentioned Firearms Education and Training Center) was approved by the Board. The project broke ground in 2023. In 2021, Becknell Industries and the Village entered into an agreement to bring a Class "A" warehousing/industrial building on approximately 50 acres. Phase I, which broke ground in 2022. In 2023, their 795,000 sq. ft building was completed. Becknell's has indicated that Phase II will bring an additional 1,000,000 sq ft. building. This will be located in the adjacent TIF District #3.

Development has also taken place outside of the Village's TIF Districts. Two four-unit apartment buildings broke ground along CTH H in 2022 and was completed in 2023. In 2023, the Board approved 17,000 sq. ft. facilities operations building for Carthage College. This project broke ground in 2022 and was opened in 2023.

**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

ECONOMIC FACTORS AND DEVELOPMENT PROJECT UPDATES (continued)

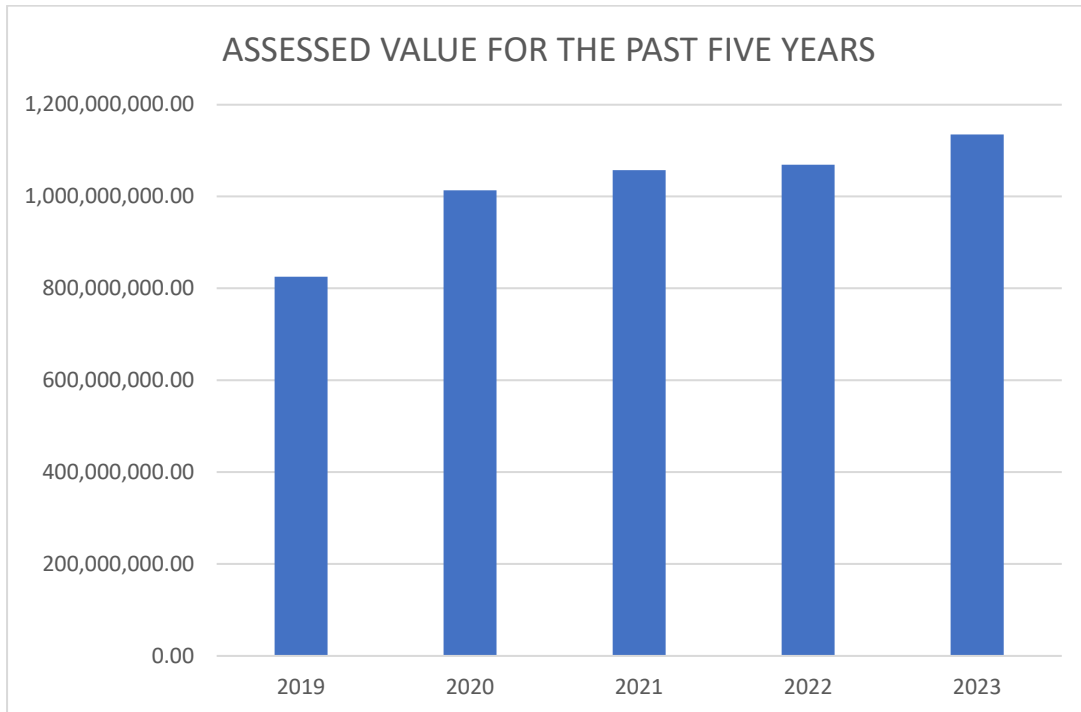
The Paris Intergovernmental Agreement, finalized in 2017, is a historic agreement between the Village of Somers, City of Kenosha, and Town of Paris. The agreement opened 2,000 acres of land for development which is estimated at a potential improved value of \$2 billion. In 2021, the Village approved its first attachment of land from the Town of Paris to the Village under said agreement. In 2023, the Village approved a Developer's Agreement with Flint Development to bring a "Class A" warehousing/ industrial project to approximately 130 acres. The entire project will bring three buildings totaling 1.9 million sq. ft. of warehousing/manufacturing space. Buildings I and II broke ground in 2022. Building I, consisting of 734,751 sq ft was completed in 2023. The second ever project in this area was quick to follow. In October of 2022, a new 13,000 sq. ft. Bobcat Plus dealership was approved and broke ground in 2023.

RATING

The Village maintains its S&P Global Ratings of 'AA-' rating for taxable general obligation (GO) refunding bonds. The outlook is stable.

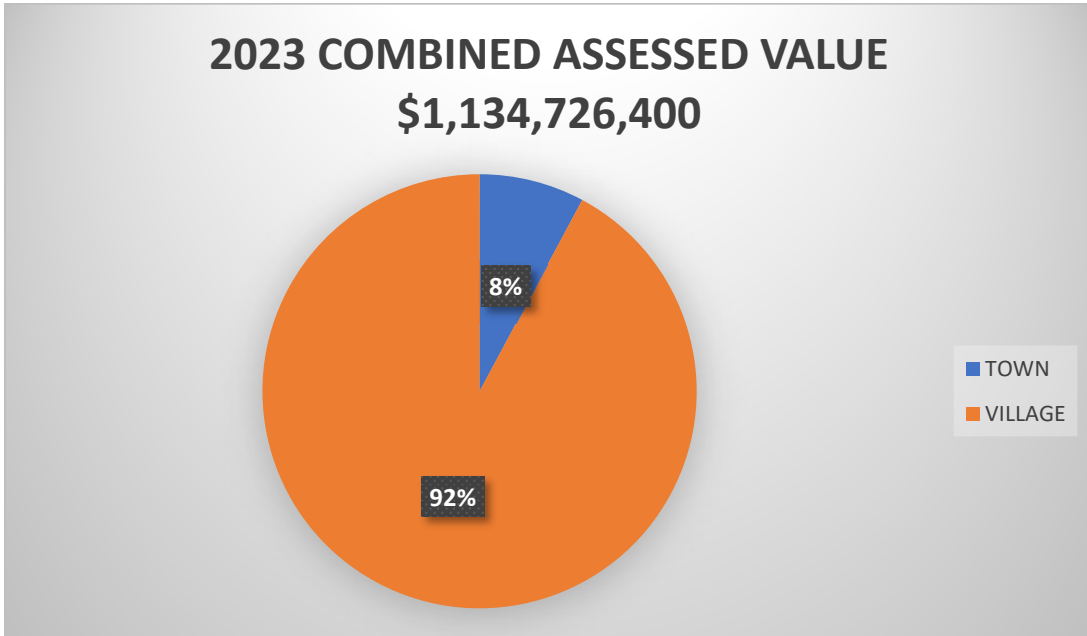
ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

ASSESSED VALUE TRENDS



**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES



CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, and creditors with a comprehensive overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact the Village of Somers at 7511 12th Street, P.O. Box 197, Somers, WI.

Jason Peters
Village Administrator

VILLAGE OF SOMERS
STATEMENT OF NET POSITION
December 31, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 14,722,590	\$ 8,483,944	\$ 23,206,534
Investments	3,248,695	1,020	3,249,715
Receivables			
Property taxes	5,650,409	-	5,650,409
Special assessments - current	-	1,987,701	1,987,701
Leases	164,008	-	164,008
Other	429,976	1,040,139	1,470,115
Prepaid expenses	11,245	4,189	15,434
Restricted cash and investments	508,324	150,188	658,512
Restricted investments	1,476,584	78,425	1,555,009
Internal balances	(88,858)	88,858	-
Special assessments - noncurrent	680,274	5,903,465	6,583,739
Leases - noncurrent	480,658	-	480,658
Capital assets			
Land and construction in progress	1,143,695	448,105	1,591,800
Other capital assets, net of depreciation	16,152,348	63,006,067	79,158,415
Total capital assets	<u>17,296,043</u>	<u>63,454,172</u>	<u>80,750,215</u>
Total assets	<u>44,579,948</u>	<u>81,192,101</u>	<u>125,772,049</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	2,871,406	391,183	3,262,589
Related to post-employment benefits	119,363	40,442	159,805
Total deferred outflows of resources	<u>2,990,769</u>	<u>431,625</u>	<u>3,422,394</u>
LIABILITIES			
Accounts payable and accrued expenses	736,458	746,585	1,483,043
Due to other governments	7,386	-	7,386
Deposits & trust accounts	86,594	-	86,594
Accrued interest	145,933	70,159	216,092
Unearned revenues	551,797	-	551,797
Long-term liabilities			
Net pension liability	763,585	103,353	866,938
Other post-employment benefits	1,439,758	231,116	1,670,874
Debt due within one year	1,893,232	1,565,562	3,458,794
Debt due in more than one year	33,213,338	13,579,137	46,792,475
Total liabilities	<u>38,838,081</u>	<u>16,295,912</u>	<u>55,133,993</u>
DEFERRED INFLOWS OF RESOURCES			
Related to property tax levy	9,225,348	-	9,225,348
Related to leases	363,929	-	363,929
Related to pension	1,607,657	217,599	1,825,256
Related to post-employment benefits	260,046	87,481	347,527
Deferred gain on refunding	80,261	-	80,261
Total deferred inflows of resources	<u>11,537,241</u>	<u>305,080</u>	<u>11,842,321</u>
NET POSITION			
Net investment in capital assets	14,295,468	30,661,225	44,956,693
Restricted	1,270,691	-	1,270,691
Unassigned (deficit)	(18,370,764)	34,361,509	15,990,745
Total net position	<u>\$ (2,804,605)</u>	<u>\$ 65,022,734</u>	<u>\$ 62,218,129</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ 1,658,593	\$ 1,324,662	\$ 21,840	\$ -	\$ (312,091)	\$ -	\$ (312,091)
Public safety	3,934,989	878,575	115,791	-	(2,940,623)	-	(2,940,623)
Public works	1,001,475	16,049	165,101	-	(820,325)	-	(820,325)
Solid waste collection	790,261	50	76,498	-	(713,713)	-	(713,713)
Leisure activities	78,580	10,105	-	-	(68,475)	-	(68,475)
Conservation and development	826,826	483,265	114,472	-	(229,089)	-	(229,089)
Interest on long-term debt	693,928	-	-	-	(693,928)	-	(693,928)
Total governmental activities	<u>8,984,652</u>	<u>2,712,706</u>	<u>493,702</u>	<u>-</u>	<u>(5,778,244)</u>	<u>-</u>	<u>(5,778,244)</u>
Business-type activities							
Sewer	2,775,801	3,303,820	-	-	-	528,019	528,019
Water	1,410,260	1,840,346	-	-	-	430,086	430,086
Total business-type activities	<u>4,186,061</u>	<u>5,144,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>958,105</u>	<u>958,105</u>
Total primary government	<u>\$ 13,170,713</u>	<u>\$ 7,856,872</u>	<u>\$ 493,702</u>	<u>\$ -</u>	<u>(5,778,244)</u>	<u>958,105</u>	<u>(4,820,139)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					3,793,312	-	3,793,312
Property taxes, levied for debt service					4,022,095	-	4,022,095
Grants and contributions not restricted to specific programs					439,628	-	439,628
Unrestricted investment earnings					1,149,268	110,386	1,259,654
Miscellaneous					1,174,872	1,366,756	2,541,628
Loss on disposal of assets					(710,084)	-	(710,084)
Total general revenues					<u>9,869,091</u>	<u>1,477,142</u>	<u>11,346,233</u>
Contributions & transfers:							
Capital contributed from developers					-	1,075,886	1,075,886
Other transfers					1,107,098	(1,107,098)	-
Total contributions & transfers					<u>1,107,098</u>	<u>(31,212)</u>	<u>1,075,886</u>
Change in net position					<u>5,197,944</u>	<u>2,404,035</u>	<u>7,601,979</u>
Net position - January 1, as originally reported					(8,002,549)	62,509,377	54,506,828
Prior Period Adjustments - See Note V. H.					-	109,322	109,322
Net position - January 1, as restated					<u>(8,002,549)</u>	<u>62,618,699</u>	<u>54,616,150</u>
Total net position at end of year					<u>\$ (2,804,605)</u>	<u>\$ 65,022,734</u>	<u>\$ 62,218,129</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023**

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds	2022 Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 5,921,372	\$ 5,820,133	\$ 1,404,396	\$ 1,576,689	\$ 14,722,590	\$ 14,148,553
Investments	1,389,200	1,542,070	-	317,425	3,248,695	-
Receivables						
Property taxes	5,650,409	4,584,416	-	22,576	10,257,401	8,580,389
Ambulance fees	263,319	-	-	-	263,319	7,138
Miscellaneous	144,489	-	-	22,168	166,657	161,405
Due from other funds	1,939,818	-	-	-	1,939,818	2,131,311
Prepaid expenses	11,245	-	-	-	11,245	7,276
Restricted cash	24,158	371,675	-	112,491	508,324	697,320
Restricted investments	-	453,565	1,023,019	-	1,476,584	-
Deferred special assessments	-	-	-	680,274	680,274	700,599
TOTAL ASSETS	\$ 15,344,010	\$ 12,771,859	\$ 2,427,415	\$ 2,731,623	\$ 33,274,907	\$ 26,433,991
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 336,328	\$ 4,250	\$ 114,747	\$ 202,748	\$ 658,073	\$ 1,122,596
Accrued compensation	78,380	-	-	-	78,380	62,735
Developer deposits	-	-	-	25,000	25,000	25,000
Due to other governments	7,386	-	-	-	7,386	7,386
Special deposits & trust accounts	61,594	-	-	-	61,594	60,413
Due to other funds	5,081,335	-	-	1,554,334	6,635,669	6,050,991
Unearned revenues	-	-	-	551,797	551,797	561,312
TOTAL LIABILITIES	5,565,023	4,250	114,747	2,333,879	8,017,899	7,890,433
DEFERRED INFLOWS OF RESOURCES						
Deferred property tax levy	3,940,848	4,584,416	-	-	8,525,264	7,791,460
Special assessments	-	-	-	677,508	677,508	690,004
Other deferred revenue	-	-	-	22,576	22,576	-
TOTAL DEFERRED INFLOWS OF RESOURCES	3,940,848	4,584,416	-	700,084	9,225,348	8,481,464
FUND BALANCES						
<i>Nonspendable</i>						
Prepaid items	11,245	-	-	-	11,245	7,276
<i>Restricted</i>						
Tax incremental districts	-	-	-	1,076,749	1,076,749	819,599
Drainage fund	-	-	-	142,373	142,373	139,956
Park fund	-	-	-	51,569	51,569	55,017
Debt service	-	8,183,193	-	-	8,183,193	5,965,134
<i>Assigned</i>						
Fourth of July Parade	3,773	-	-	-	3,773	3,773
Capital projects	-	-	2,312,668	-	2,312,668	-
Subsequent year expenditures	525,848	-	-	-	525,848	525,848
<i>Unassigned</i>	5,297,273	-	-	(1,573,031)	3,724,242	2,545,491
TOTAL FUND BALANCES	5,838,139	8,183,193	2,312,668	(302,340)	16,031,660	10,062,094
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 15,344,010	\$ 12,771,859	\$ 2,427,415	\$ 2,731,623	\$ 33,274,907	\$ 26,433,991

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2023

Fund balance - total governmental funds	\$	16,031,660
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		17,296,041
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Leases receivable		644,666
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred outflows related to pensions		2,871,406
Deferred inflows related to pensions		(1,607,657)
Deferred inflows related to leases		(363,929)
Deferred outflows related to other postemployment benefits		119,363
Deferred inflows related to other postemployment benefits		(260,046)
		<u>759,137</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable		(34,341,527)
Premium on debt		(528,349)
Compensated absences		(236,696)
Net pension liability		(763,585)
Other postemployment benefit		(1,439,758)
Deferred gain on refunding		(80,261)
Accrued interest on long-term obligations		(145,933)
		<u>(37,536,109)</u>
Net position	\$	<u>(2,804,605)</u>

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds	2022 Total Governmental Funds
REVENUES						
Taxes	\$ 3,793,312	\$ 4,022,095	\$ -	\$ -	\$ 7,815,407	\$ 8,038,051
Intergovernmental revenues	911,490	-	12,325	9,515	933,330	1,242,907
Charges for services	1,124,890	-	-	273,202	1,398,092	1,291,289
Licenses and permits	1,152,500	-	-	-	1,152,500	1,042,141
Fees and fines	162,115	-	-	-	162,115	109,889
Investment income	548,043	485,207	23,020	92,998	1,149,268	354,170
Miscellaneous income	1,181,249	-	-	-	1,181,249	1,176,596
Total Revenues	<u>8,873,599</u>	<u>4,507,302</u>	<u>35,345</u>	<u>375,715</u>	<u>13,791,961</u>	<u>13,255,043</u>
EXPENDITURES						
Current:						
General government	1,549,493	-	-	-	1,549,493	1,582,825
Public safety	3,423,705	-	-	-	3,423,705	2,949,421
Public works	509,634	-	-	-	509,634	428,909
Solid waste collection	790,212	-	-	-	790,212	728,956
Leisure activities	11,614	-	-	6,534	18,148	21,952
Conservation and development	55,774	-	-	1,929,746	1,985,520	693,082
Capital outlay	-	-	2,209,607	-	2,209,607	951,931
Debt service:						
Principal retirement	-	1,944,598	-	-	1,944,598	2,109,381
Interest and other charges	-	586,172	100,856	2,308	689,336	655,934
Total Expenditures	<u>6,340,432</u>	<u>2,530,770</u>	<u>2,310,463</u>	<u>1,938,588</u>	<u>13,120,253</u>	<u>10,122,391</u>
Excess (deficiency) of revenues over expenditures	2,533,167	1,976,532	(2,275,118)	(1,562,873)	671,708	3,132,652
OTHER FINANCING SOURCES (USES)						
Proceeds from long-term debt	-	-	3,435,000	497,319	3,932,319	3,318,876
Premium on issuance of debt	-	194,420	33,029	-	227,449	-
Capital contributions to utility	-	-	-	-	-	(2,682,841)
Transfers from other funds	-	75,000	1,810,269	1,165,983	3,051,252	50,750
Transfers to other funds	(1,800,754)	(27,893)	-	(84,515)	(1,913,162)	(348,466)
Total Other Financing Sources (Uses)	<u>(1,800,754)</u>	<u>241,527</u>	<u>5,278,298</u>	<u>1,578,787</u>	<u>5,297,858</u>	<u>338,319</u>
Net change in fund balance	732,413	2,218,059	3,003,180	15,914	5,969,566	3,470,971
FUND BALANCES - Beginning of Year	5,105,726	5,965,134	(690,512)	(318,254)	10,062,094	6,591,123
FUND BALANCES - END OF YEAR	<u>\$ 5,838,139</u>	<u>\$ 8,183,193</u>	<u>\$ 2,312,668</u>	<u>\$ (302,340)</u>	<u>\$ 16,031,660</u>	<u>\$ 10,062,094</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
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, 2023**

Net change in fund balances - total governmental funds \$ 5,969,566

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 Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset additions reported as capital outlay in governmental fund statements	2,143,807
Contributed capital assets	(30,991)
Depreciation expense reported in the Statement of Activities	(908,650)
	1,204,166

Governmental funds do not report lease revenues and expenditures. Those amounts are recognized at the government-wide level. (4,977)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Long-term debt issued	(4,159,768)
Amortization of premium on debt issued	22,429
Principal repaid	3,082,688
	(1,054,651)

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

Change in accrued interest on long-term debt	(4,590)
Change in compensated absences	2,448
Pension expense	(180,406)
Other postemployment benefits expense	305
Loss on disposal of fixed assets	(710,084)
	(892,327)

Proceeds received for fully-depreciated assets are treated as revenue in the fund financial statements, but are treated as gain on disposal of assets in the government-wide statements. (23,835)

Change in net position of governmental activities \$ 5,197,944

VILLAGE OF SOMERS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2023

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 3,688,162	\$ 3,785,023	\$ 3,793,312	\$ 8,289
Intergovernmental revenues	766,401	901,384	911,490	10,106
Charges for services	584,190	665,282	1,124,890	459,608
Licenses and permits	543,232	1,124,573	1,152,500	27,927
Fees and fines	110,075	158,059	162,115	4,056
Investment income	200,000	557,618	548,043	(9,575)
Miscellaneous income	157,104	1,162,639	1,181,249	18,610
Total revenues	<u>6,049,164</u>	<u>8,354,578</u>	<u>8,873,599</u>	<u>519,021</u>
Expenditures				
Current:				
General government	1,217,248	1,531,254	1,549,493	(18,239)
Public safety	3,441,715	3,441,790	3,423,705	18,085
Public works	570,926	571,728	509,634	62,094
Solid waste collection	780,565	780,565	790,212	(9,647)
Culture and recreation	20,790	20,816	11,614	9,202
Planning and development	62,155	65,360	55,774	9,586
Capital outlay	41,765	41,765	-	41,765
Total expenditures	<u>6,135,164</u>	<u>6,453,278</u>	<u>6,340,432</u>	<u>112,846</u>
Excess (deficiency) of revenues over expenditures	<u>(86,000)</u>	<u>1,901,300</u>	<u>2,533,167</u>	<u>631,867</u>
OTHER FINANCING SOURCES (USES)				
Contingency	86,000	86,000	-	86,000
Transfers out	-	-	(1,800,754)	1,800,754
Total other financing sources and uses	<u>86,000</u>	<u>86,000</u>	<u>(1,800,754)</u>	<u>1,886,754</u>
Net change in fund balance	-	1,987,300	732,413	(1,254,887)
Fund balance - beginning of year	<u>5,105,726</u>	<u>5,105,726</u>	<u>5,105,726</u>	-
Fund balance - end of year	<u>\$ 5,105,726</u>	<u>\$ 7,093,026</u>	<u>\$ 5,838,139</u>	<u>\$ (1,254,887)</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2023**

	Business-Type Activities				
	KR Utility District	Utility District #1	Somers Water	Storm Water Utility (Non-major)	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 540,533	\$ 6,943,037	\$ -	\$ 1,000,374	\$ 8,483,944
Investments	-	616	404	-	1,020
Accounts receivable	18,351	521,875	380,576	-	920,802
Tax levy receivable from General Fund	9,113	120,858	52,633	291,738	474,342
Other receivables	-	91,864	27,473	-	119,337
Special assessments - current	-	1,293,717	693,984	-	1,987,701
Due from other funds	29,242	-	-	-	29,242
Prepaid expenses	314	2,325	1,550	-	4,189
Restricted cash	-	93,554	56,634	-	150,188
Restricted investments	-	47,338	31,087	-	78,425
Total current assets	<u>597,553</u>	<u>9,115,184</u>	<u>1,244,341</u>	<u>1,292,112</u>	<u>12,249,190</u>
Noncurrent assets					
Capital Assets:					
Utility plant in service	7,138,767	37,887,376	30,521,933	144,677	75,692,753
Machinery and equipment	-	2,350,584	972,108	-	3,322,692
Construction in progress	-	324,737	117,977	1,391	444,105
Intangible assets	-	37,027	57,142	-	94,169
Accumulated depreciation	(1,137,292)	(10,452,608)	(4,506,753)	(2,894)	(16,099,547)
Non-Capital Assets:					
Due from other funds - noncurrent	265,425	-	-	-	265,425
Special assessments - noncurrent	-	3,668,485	1,986,363	-	5,654,848
Deferred special assessments	30,984	147,927	69,706	-	248,617
Total noncurrent assets	<u>6,297,884</u>	<u>33,963,528</u>	<u>29,218,476</u>	<u>143,174</u>	<u>69,623,062</u>
Total Assets	<u>6,895,437</u>	<u>43,078,712</u>	<u>30,462,817</u>	<u>1,435,286</u>	<u>81,872,252</u>
DEFERRED OUTFLOW OF RESOURCES					
Deferred outflows - pension contribution	2,041	18,071	9,050	1,002	30,164
Deferred outflows - pension	30,188	207,446	118,884	4,501	361,019
Deferred outflows - post-employment benefits	3,321	24,924	10,820	1,377	40,442
Total deferred outflows of resources	<u>35,550</u>	<u>250,441</u>	<u>138,754</u>	<u>6,880</u>	<u>431,625</u>
Total Assets and Deferred Outflows of Resources	<u>6,930,987</u>	<u>43,329,153</u>	<u>30,601,571</u>	<u>1,442,166</u>	<u>82,303,877</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2023**

	Business-Type Activities				
	KR Utility District	Utility District #1	Somers Water	Storm Water Utility (Non-major)	Total
LIABILITIES					
Current liabilities					
Accounts payable	\$ 43,595	\$ 322,011	\$ 76,295	\$ 2,945	\$ 444,846
Wages payable	741	6,588	2,312	360	10,001
Due to other funds - current	-	-	414,726	-	414,726
Accrued interest	-	47,138	23,021	-	70,159
Other liabilities	-	-	-	291,738	291,738
Current portion of long-term debt payable	523	1,017,255	547,754	30	1,565,562
Total current liabilities	<u>44,859</u>	<u>1,392,992</u>	<u>1,064,108</u>	<u>295,073</u>	<u>2,797,032</u>
Noncurrent liabilities					
Due to other funds - noncurrent	-	-	265,425	-	265,425
Net pension liability	8,642	59,388	34,034	1,289	103,353
Other post-employment benefits	32,026	107,601	93,816	(2,327)	231,116
General obligation debt payable	2,524	8,181,142	5,395,323	148	13,579,137
Total noncurrent liabilities	<u>43,192</u>	<u>8,348,131</u>	<u>5,788,598</u>	<u>(890)</u>	<u>14,179,031</u>
Total Liabilities	<u>88,051</u>	<u>9,741,123</u>	<u>6,852,706</u>	<u>294,183</u>	<u>16,976,063</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pension	18,195	125,035	71,656	2,713	217,599
Deferred inflows - post-employment benefits	7,190	53,927	23,368	2,996	87,481
Total deferred inflows of resources	<u>25,385</u>	<u>178,962</u>	<u>95,024</u>	<u>5,709</u>	<u>305,080</u>
Total liabilities and deferred inflows of resources	<u>113,436</u>	<u>9,920,085</u>	<u>6,947,730</u>	<u>299,892</u>	<u>17,281,143</u>
NET POSITION					
Invested in capital assets, net of related debt	594,160	17,913,410	12,010,481	143,174	30,661,225
Unrestricted	6,223,391	15,495,658	11,643,360	999,100	34,361,509
Total Net Position	<u>\$ 6,817,551</u>	<u>\$ 33,409,068</u>	<u>\$ 23,653,841</u>	<u>\$ 1,142,274</u>	<u>\$ 65,022,734</u>

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2023

	Business-Type Activities				Total
	KR Utility District	Utility District #1	Somers Water	Storm Water Utility (Non-major)	
OPERATING REVENUES					
Charges for services	\$ 219,088	\$ 2,797,350	\$ 1,836,692	\$ 287,007	\$ 5,140,137
Miscellaneous operating revenue	-	375	3,654	-	4,029
Total operating revenues	<u>219,088</u>	<u>2,797,725</u>	<u>1,840,346</u>	<u>287,007</u>	<u>5,144,166</u>
OPERATING EXPENSES					
Personnel	45,644	393,381	187,934	17,933	644,892
Materials and supplies	1,019	31,323	482,676	9,486	524,504
Contractual and other services	157,474	867,990	77,432	40,725	1,143,621
Miscellaneous operating expenses	-	2,551	1,862	-	4,413
Depreciation	142,775	838,018	525,357	2,894	1,509,044
Total operating expense	<u>346,912</u>	<u>2,133,263</u>	<u>1,275,261</u>	<u>71,038</u>	<u>3,826,474</u>
Operating income (loss)	<u>(127,824)</u>	<u>664,462</u>	<u>565,085</u>	<u>215,969</u>	<u>1,317,692</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	552	83,031	26,803	-	110,386
Interest and fiscal charges	-	(224,235)	(134,843)	-	(359,078)
Miscellaneous revenue	4,960	19,702	8,795	-	33,457
Miscellaneous expenses	-	(353)	(156)	-	(509)
Total non-operating revenue (expenses)	<u>5,512</u>	<u>(121,855)</u>	<u>(99,401)</u>	<u>-</u>	<u>(215,744)</u>
Income (loss) before capital contributions and transfers	<u>(122,312)</u>	<u>542,607</u>	<u>465,684</u>	<u>215,969</u>	<u>1,101,948</u>
CAPITAL CONTRIBUTIONS and TRANSFERS					
Connection fees	-	1,333,299	-	-	1,333,299
Capital contributions	-	-	1,075,886	-	1,075,886
Transfers to other funds	-	(776,412)	(446,894)	-	(1,223,306)
Transfers from other funds	-	14,521	101,687	-	116,208
Total contributions and transfers	<u>-</u>	<u>571,408</u>	<u>730,679</u>	<u>-</u>	<u>1,302,087</u>
Change in net position	<u>(122,312)</u>	<u>1,114,015</u>	<u>1,196,363</u>	<u>215,969</u>	<u>2,404,035</u>
Net position - January 1, as originally stated	6,939,863	32,295,052	22,457,479	816,983	62,509,377
Prior period adjustment (See Note V. I.)	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,322</u>	<u>109,322</u>
Net position - January 1, as restated	<u>6,939,863</u>	<u>32,295,052</u>	<u>22,457,479</u>	<u>926,305</u>	<u>62,618,699</u>
Total net position at end of year	<u>\$ 6,817,551</u>	<u>\$ 33,409,067</u>	<u>\$ 23,653,842</u>	<u>\$ 1,142,274</u>	<u>\$ 65,022,734</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2023**

	Business-type Activities				Totals
	KR Utility District	Utility District #1	Somers Water	Storm Water District (Non-major)	
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 226,633	\$ 2,700,938	\$ 1,938,135	\$ 282,277	\$ 5,147,983
Paid to suppliers for goods and services	(171,334)	(1,591,240)	(627,841)	(64,127)	(2,454,542)
Paid to employees	(29,682)	(229,549)	(121,039)	(16,003)	(396,273)
Cash Flows from Operating Activities	<u>25,617</u>	<u>880,149</u>	<u>1,189,255</u>	<u>202,147</u>	<u>2,297,168</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Tax levy	-	-	-	4,730	4,730
Special assessments	-	228,255	159,505	-	387,760
Interfund loans payments received (paid)	29,193	-	(189,288)	-	(160,095)
Transfers out	-	(776,412)	(446,894)	-	(1,223,306)
Transfers in	-	14,521	101,687	-	116,208
Miscellaneous income/(expense)	4,960	21,900	10,501	-	37,361
Cash Flows from Noncapital Financing Activities	<u>34,153</u>	<u>(511,736)</u>	<u>(364,489)</u>	<u>4,730</u>	<u>(837,342)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Debt retired	445	(1,023,039)	(560,011)	(54)	(1,582,659)
Interest paid	-	(225,828)	(136,444)	-	(362,272)
Connection fees received	-	1,333,299	-	-	1,333,299
Prior period adjustments	-	-	-	109,322	109,322
Acquisition and construction of capital assets	-	(298,141)	(263,311)	(110,813)	(672,265)
Disposal of capital assets	-	-	875	-	875
Cash Flows from Capital and Financing Activities	<u>445</u>	<u>(213,709)</u>	<u>(958,891)</u>	<u>(1,545)</u>	<u>(1,173,700)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Transfers (to) from investments	-	(47,954)	(31,492)	-	(79,446)
Interest income	552	83,031	26,803	-	110,386
Cash Flows from Investing Activities	<u>552</u>	<u>35,077</u>	<u>(4,689)</u>	<u>-</u>	<u>30,940</u>
Net Change in Cash and Cash Equivalents	60,767	189,781	(138,814)	205,332	317,066
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	479,766	6,846,810	195,448	795,042	8,317,066
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u>\$ 540,533</u>	<u>\$ 7,036,591</u>	<u>\$ 56,634</u>	<u>\$ 1,000,374</u>	<u>\$ 8,634,132</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2023**

	Business-type Activities				Totals
	KR Utility District	Utility District #1	Somers Water	Storm Water District (Non-major)	
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (127,824)	\$ 664,462	\$ 565,085	\$ 215,969	\$ 1,317,692
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:					
Depreciation expense	142,775	838,018	525,357	2,894	1,509,044
Change in pension related assets, liabilities, and deferred outflows and deferred inflows	7,299	46,032	24,681	1,253	79,265
Miscellaneous Revenue/Expense	-	(2,551)	-	-	(2,551)
Change in Other Post Employment Benefits	(4,881)	(36,301)	(15,817)	(5,325)	(62,324)
Changes in assets and liabilities:					
Accounts receivable	7,545	(96,787)	97,789	(4,730)	3,817
Prepaid items	(108)	(816)	(544)	-	(1,468)
Accounts payable	811	(531,908)	(7,296)	(7,914)	(546,307)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 25,617</u>	<u>\$ 880,149</u>	<u>\$ 1,189,255</u>	<u>\$ 202,147</u>	<u>\$ 2,297,168</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES:					
Assets contributed by developers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,075,886</u>	<u>\$ -</u>	<u>\$ 1,075,886</u>

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
December 31, 2023

ASSETS

Cash and cash equivalents	\$ 4,665,599
Taxes receivable	<u>6,887,031</u>
Total Assets	<u><u>\$ 11,552,630</u></u>

LIABILITIES

Due to other governments	<u>\$ 11,552,630</u>
Total Liabilities	<u><u>\$ 11,552,630</u></u>

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND
For the Year Ended December 31, 2023

	<u>Custodial Tax Collection Fund</u>
ADDITIONS	
Taxes Collected on Behalf of Other Taxing Entities	\$ 11,457,332
DEDUCTIONS	
Taxes Remitted to Other Taxing Entities	<u>(11,457,332)</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING	<u>-</u>
NET POSITION - ENDING	<u><u>\$ -</u></u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

INDEX TO NOTES TO FINANCIAL STATEMENTS

NOTE	<u>Page</u>
I. Summary of Significant Accounting Policies	38
A. Reporting Entity	38
B. Government-Wide and Fund Financial Statements	39
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	42
D. Assets, Liabilities, and Net Position or Equity	46
1. Deposits and Investments	46
2. Receivables	47
3. Inventories and Prepaid Items	48
4. Restricted Assets	48
5. Capital Assets	49
6. Other Assets	49
7. Compensated Absences	50
8. Long-Term Obligations/Conduit Debt	50
9. Leases	51
10. Claims and Judgments	51
11. Equity Classifications	52
II. Reconciliation of Government-Wide and Fund Financial Statements	53
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position	53
B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities	53
III. Stewardship, Compliance, and Accountability	54
A. Budgetary Information	54
B. Governmental Funds - Excess Expenditures Over Appropriations	54
C. Deficit Balances	54
D. Limitations on the Village's Tax Levy Rate and Its Ability to Issue New Debt	55
IV. Detailed Notes on All Funds	55
A. Deposits and Investments	55
B. Receivables	59
C. Capital Assets	60
D. Interfund Receivables/Payables and Transfers	62
E. Long-Term Obligations	64
F. Restricted Assets	71
G. Lease Disclosures	72
H. Governmental and Business-Type Activities Net Position	72

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

INDEX TO NOTES TO FINANCIAL STATEMENTS (continued)

NOTE	<u>Page</u>
V. Other Information	75
A. Employees' Retirement System	75
B. Other Postemployment Benefits (OPEB)	81
C. Risk Management	90
D. Commitments and Contingencies	90
E. Intergovernmental Agreement Between Town of Somers and Village of Somers	90
F. Incorporation and Classification of Town Related Revenue and Expenditures Into This Report	93
G. Subsequent Events	94
H. Prior Period Adjustments	94
I. Accounting Pronouncements Adopted in Current Year	94

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Somers, Wisconsin conform to generally accepted accounting principles as applicable to governmental units.

The Town of Somers was formed in 1843. In January, 2015, the Wisconsin Department of Administration approved the Incorporation application for a portion of the Town to become a Village. The Incorporation Referendum was approved by the voters and Wisconsin issued the Incorporation Certificate on April 24, 2015. This marked the beginning of the Village of Somers which coexists with the Town of Somers. On January 1, 2016, the incorporated Village portion began operations. A remnant of the Town of Somers remains. Please see Note V E. - *Intergovernmental Agreement Between Town of Somers and Village of Somers* for more detail. The scope of this audit report specifically covers the Village of Somers. For purposes of clarity in the notes, when the report refers to prior years' information, the term "Village" will be used in place of "Town".

The Village Board is composed of seven Trustees which includes a President who is elected as provided by 61.20(1), Wisconsin Statutes. Each of the Board members are elected to a two-year staggered term. The Village provides the following services: public safety, public works, public health and welfare, culture, recreation, planning and development, sewerage treatment and waterworks.

A. REPORTING ENTITY

This report includes all of the funds of the Village. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate tax exempt organization should be reported as a component unit of a reporting entity if all the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents, (2) the primary government is entitled to or has the ability to otherwise access a majority of the economic resources received or held by the separate organization, and (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to or has the ability to otherwise access are significant to that primary government. This report does not contain any component units.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village currently does have assets that qualify for reporting in this category which are the amounts related to pension benefits and other post-employment benefits and the difference between the amount paid to the fund and the actuarially determined value.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Village has various types of inflows that qualify for reporting in this category: property taxes, deferred leases receivable, deferred gain on debt refunding, other post-employment benefits, and pension liability. These amounts will be recognized as an inflow of resources in the subsequent years.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated based on management estimates of employees' time spent across the Village's various functions. 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.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which, are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures/expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental, proprietary, and fiduciary 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 Village or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and 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 proprietary fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

The Village reports the following major governmental funds:

Major Governmental Funds

- General Fund – accounts for the Village’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt other than enterprise debt. This includes the debt for the Village’s Tax Incremental Districts.
- Capital Projects Fund – accounts for the Village’s ongoing capital projects.

The Village reports the following major enterprise funds:

Major Enterprise Funds

- Utility District #1 – accounts for the sewer operations of the Village.
- Somers Water Utility – accounts for water operations of the Village.
- KR Utility District – accounts for the sewer operations of the Village.

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

Non-Major Governmental Funds

- Capital Projects Funds (TIDs 1-11) - account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds accounts for resources legally restricted to supporting expenditures for capital projects. These funds account for all activity related to tax increment financing districts in Somers.
- Special Revenue Funds – used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds are:
 - Park Improvement
 - Drainage
 - American Rescue Plan Act

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

Non-Major Enterprise Funds

- Stormwater Utility Fund – accounts for the stormwater operations of the Village.

The Village reports the following fiduciary funds:

- Custodial Fund – The Village reports the funds that it holds for other governments related to the tax levy and collection in a custodial 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.

Fund Financial Statements

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 of resources. 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. Receivables are recorded as revenues when services are provided.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide 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 Village 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.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

The revenues susceptible to accrual are ambulance services. All other Governmental Fund type revenues are recognized when received.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. 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 Village is entitled to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unearned revenue. Amounts received prior to the entitlement period are also recorded as unearned revenue.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in the future years are reflected as receivables and deferred inflows of resources. Delinquent special assessments being held for collection by the Village are reported as receivables and nonspendable fund balance in the General Fund.

Licenses and permits, fines, forfeitures and penalties, public charges for services and commercial revenues (except investment earnings), are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings and mobile home fees are recorded as earned since they are measurable and available.

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

The Village's Tax Incremental Financing Districts were created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the district. That tax on the increased value is called a tax increment. Project costs may not be incurred longer than 5 years prior to the termination date of the district. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or maximum life based on the resolution date and type of District, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the municipality.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

For TID #1, the equalized value of the increment of existing tax incremental districts within Somers, plus the base value of the TID #1, totals \$476,300 and it has been declared to be an Industrial District. The plan assumes that development will increase this value to between \$75 million and \$150 million over the span of the project. The project costs for TID #1 were estimated to be \$12,597,000.

For TID #2, the equalized value of the increment of existing tax incremental districts within Somers, plus the base value of the TID #2, totals \$3,665,400 and it has been declared to be a mixed-use development. The plan assumes that development will increase this value to approximately \$57.5 million over the span of the project. The project costs for TID #2 were estimated to be \$9.5 million.

TID #3 is located near I-94 and HWY 142. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 388.42 acres, with a base valuation of \$1,763,329. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$71,898,929.

TID #4 is located near CTH E and HWY 31. This is a mixed-use district, with commercial and residential uses proposed. The District encompasses 150.10 acres, with a base valuation of \$1,040,101. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$71,175,701.

TID #5 is bisected by CTH L and runs north to south along HWY 31. This is a mixed-use district, with commercial, industrial, and residential uses proposed. The District encompasses 536.47 acres, with a base valuation of \$1,274,382. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$71,409,982.

TID #6 is located near CTH E and I-94. This is a mixed-use district, with commercial, industrial, institutional, and residential uses proposed. The District encompasses 663.34 acres, with a base valuation of \$2,238,343. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$72,373,943.

TID #7 is located near CTH KR and I-94. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 1,678.55 acres, with a base valuation of \$7,976,467. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$78,082,067.

TID #8 is located near CTH E and I-94. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 220.76 acres, with a base valuation of \$343,953. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$70,479,553.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

TID #9 is located near the lake front on the northern part of HWY 32. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 6.23 acres, with a base valuation of \$1,983,575. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$72,119,175.

TID #10 is located near 11 Place and HWY 32. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 12.47 acres, with a base valuation of \$3,067,895. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the proposed District, totals \$73,203,495.

TID #11 is located near CTH S and CTH H. This is a mixed-use district, with commercial and industrial uses proposed. The District encompasses 66.49 acres, with a base valuation of \$185,414. The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the District, totals \$70,612,301.

The Proprietary and Fiduciary Fund types are accounted for on an economic resources measurement focus using the accrual basis of accounting. Revenues are recorded when they are earned or able to be calculated, including unbilled water and sewer services which are accrued. Expenses are recorded at the time liabilities are incurred.

The proprietary funds have elected to follow all pronouncements of the Governmental Accounting Standards Board and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989. The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the Statement of Cash Flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Wisconsin Statutes restrict the investments of the Village to:

- Time deposits in financial institutions
- Securities issued or guaranteed by the Federal governments
- Municipal obligations of Wisconsin entities
- State of Wisconsin Local Government Pooled Investment Fund
- Repurchase agreements which are secured by securities issued or guaranteed by the Federal government
- Securities maturing in seven years or less and having the highest or second highest rating category of nationally recognized rating agency
- Securities of open-end management investment companies or investment trusts if the portfolio is limited to specified securities

No significant violations of these restrictions occurred during the year.

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 accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2023, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV A. for further information.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

2. Receivables

Wisconsin cities, villages, and towns are charged with the responsibility of assessing taxable property, collecting taxes, and making distributions to counties, school districts and other public bodies, including sanitary districts. All assessments are made as of January 1st.

Taxes on real and personal property are levied in December of each year by the Village of Somers in the amounts that when collected in the ensuing year, along with revenues, are sufficient to cover operating expenses, debt service, and other expenditures of the Village. The Village's taxpayers have two options for the payment of their real estate taxes. One option is to pay the total amount of taxes due by January 31st. The other option is to utilize an installment plan whereby one-half of real estate taxes plus total special assessments must be paid by January 31st. The second and final payment must be made not later than July 31st. Taxes unpaid by July 31st become delinquent and are turned over to the county for collection. Personal property taxes are due on or before January 31st.

Initially, all taxes are collected by city, village, and town treasurers who then make settlements with counties, school districts, and other public bodies including sanitary districts. Kenosha County settles with the Village for all real estate taxes due and payable by January 31st. The Village receives a portion of their real estate levy in February, except for the amount of taxes that have been postponed for payment in July. These postponed taxes are paid to Kenosha County no later than July 31st and the Village receives these funds in August.

The Village has the right under the Wisconsin Statutes to place delinquent water and sewer bills on the tax rolls for collection. No allowance for uncollectible accounts is considered necessary at year end.

Property tax calendar - 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in Full, or First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes in full	January 31, 2024
Tax settlement with Village:	
First settlement	January 15, 2024
Second settlement	February 20, 2024
Final settlement	August 15, 2024

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

2. Receivables (continued)

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.”

3. Inventories and Prepaid Items

Inventories are generally used for construction and the operation and maintenance work and not for resale. They are valued at lower of cost or market based on average prices and charged to construction, operation, and maintenance expense when used.

Prepaid balances are for the payments made by the Village in the current year to provide services occurring in the subsequent fiscal year, and the reserve to prepaid items has been recognized to signify that a portion of the fund balance is not available for other subsequent expenditures.

4. Restricted Assets

The General Fund has restricted assets in the amount of \$24,158 on December 31, 2023. These funds are to be used for costs that arise after the land has been developed at Somers Market.

Special Revenue Funds were established to account for impact fees, as required by state statutes, in order to provide funds which may be necessary to pay for capital costs that are required to accommodate land development. At year end, the restricted cash amount in the Drainage Fund was \$49,414.

Another Special Revenue Fund was established called the Park Fund that accumulated impact fees. They were established, by contract between the Village and the developer, to provide funds necessary to pay for the engineering, construction, and legal fees during land development. At year end, this amount was \$63,077 which is reported in the Park Fund.

As a requirement of the Village’s Bonds, total restricted cash and investments for bond reserves of \$1,053,853 was allocated out of the General Fund for debt service. Of this amount, \$198,804 for debt service, \$250,072 is allocated to debt service for Tax Incremental District #1, \$376,364 is allocated to debt service for Tax Incremental District #2, \$140,892 is allocated to the Utility District #1, and \$87,721 is allocated to the Somers Water Fund.

Somers has also retained \$1,023,019 on reserve from the 2023 bond issuance for future capital projects. This is reported as restricted in the Capital Projects Fund.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

5. Capital Assets

Government-Wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and infrastructure assets, and an estimated useful life based on the asset type. All capital assets are valued at historical cost, or estimated historical cost, if actual amounts are unavailable based on the records of the Village. Donated fixed 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. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible fixed 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	50-100	Years
Land Improvements	20	Years
Machinery and Equipment	5-40	Years
Infrastructure	15-50	Years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

6. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

7. Compensated Absences

Under terms of employment, employees are granted sick leave/casual days and vacation days in varying amounts. Seventy-five percent of all unused accumulated sick leave/casual days will be paid to the employee upon termination of employment with the Village, up to a maximum of 90 days and/or 720 hours. No more than 90 days of sick leave/casual days may be accumulated. Vacation days can be carried over into the next year and must be used within the first quarter of the following year. For employees represented under a contract, vacation benefits are subject to the terms of the Collective Bargaining Agreement.

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

Accumulated liabilities at December 31, 2023 are determined on the basis of current salary rates and salary-related payments.

8. Long-Term Obligations/Conduit Debt

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable as well as other postemployment benefits and vested vacation and sick days.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources. The payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

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

The Village does not engage in conduit debt transactions.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

9. Leases

The Village is lessor for various space and equipment.

The Village determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position and fund financial statements.

Lease receivables represent the Village's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term. Interest revenue is recognized ratably over the contract term. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The Village recognizes payments received for short-term leases with a lease term of 12 months or less, including options to extent, as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Village has elected to use its incremental borrowing rate to calculate the present value of expected lease payments.

10. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in 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. See Note V D. on commitments and contingencies.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

11. Equity Classifications

Government-Wide Financial Statements

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

- a. Net investment in capital assets – includes the Village’s capital assets (net of accumulated depreciation) reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – includes assets that have third party (statutory, bond covenant, or granting agency) limitations on their use. The Village typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.
- c. Unrestricted net position – typically includes unrestricted liquid assets. The Village has the authority to revisit or alter this designation.

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. GASB 54 requires the fund balance amounts to be reported in the following categories:

- a. Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form, or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts that can be spent only for the specific purposed stipulated by constitution, external resource providers, or through enabling legislation.
- c. Committed – Amounts that can be used only for the specific purposed determined by a formal action or resolution of the Board of Trustees (the Village’s highest level of decision-making authority).
- d. Assigned – Amounts that are intended to be used for a particular purpose expressed by the Board or other authorized committee or individual.
- e. Unassigned – All amounts not included in other spendable classifications.

The Village’s policy is to use fund balances in the following order: restricted, committed, assigned, and unassigned. The Village has adopted a policy requiring the General Fund to have at least 17% of its operating expenditures in reserve. Proprietary fund equity is classified the same as in the government-wide statements.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities applicable to the Village’s governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities.” All liabilities, both current and long-term, are reported in the Statement of Net Position. Following are details of these differences:

Bonds and notes payable December 31, 2022	\$ (35,675,151)
New proceeds	(4,159,768)
Amortization of debt discount and issue costs	22,430
Vacation/sick day accrual	2,449
Other postemployment benefits (OPEB)	181,024
Principal retirements	3,082,688
Bonds and notes payable December 31, 2023	<u>\$ (36,546,328)</u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities.

One element of that reconciliation states that “bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.” Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position. This is the amount by which repayments exceeded debt issued.

Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this (\$1,054,651) difference are as follows:

New proceeds	\$ (4,159,768)
Amortization of bond costs	22,429
Principal repayments – General Obligation debt	3,082,688
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,054,651)</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

A budget has been adopted for the general fund, special revenue funds, debt service fund, and capital projects funds and comparisons of actual to budget for the general fund is presented in the general-purpose financial statements. Budgetary comparisons are not required for proprietary funds.

The budgeted amounts presented include any amendments made. Board approvals are required to transfer budgeted amounts within departments, between departments, or changes to the overall budget.

Appropriations lapse at year-end unless specifically carried over.

B. GOVERNMENTAL FUNDS - EXCESS EXPENDITURES OVER APPROPRIATIONS

The Village controls expenditures at the appropriation unit level. The detail of those items can be found in the Village's year end budget to actual report. In 2023, the Village had the following appropriations over budget:

Appropriation	Amount Over Budget	Reason
General government	\$ 18,239	Additional municipal services required
Solid waste collection	\$ 9,647	Additional firefighter hours required

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. The following funds have deficit fund balances as of December 31, 2023:

Fund	Deficit Balance	Reason
Tax Incremental District #2	\$ 7,078	Tax Incremental District deficits are anticipated to be funded with future incremental taxes levied over the life of the district. The capital projects fund is anticipated to be supported by future transfers and/or debt issuances.
Tax Incremental District #3	394,731	
Tax Incremental District #4	729,976	
Tax Incremental District #5	128,557	
Tax Incremental District #7	22,232	
Tax Incremental District #8	242,404	
Tax Incremental District #9	20,159	
Tax Incremental District #10	7,753	
Tax Incremental District #11	20,141	

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

D. LIMITATIONS ON THE VILLAGE’S TAX LEVY RATE AND ITS ABILITY TO ISSUE NEW DEBT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2023 and 2022 budget years, the increase in the maximum allowable tax levy is limited to the percentage change in the Village's January 1 equalized value as a result of net new construction. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations. The Village is in compliance with the limitation.

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

Cash and cash equivalent balances as disclosed on the accompanying financial statements are comprised of the following:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Petty cash	\$ 2,708	\$ -	\$ 2,708
Demand deposits			
Interest bearing	18,818,970	515,133	19,334,103
Non-interest bearing	1,340	-	1,340
Other cash	4,383,516	143,379	4,526,895
Fiduciary			
Tax deposits	-	4,665,599	4,665,599
Total cash and cash equivalents	\$ 23,206,534	\$ 5,324,111	\$ 28,530,645
Per statement of net position - cash and cash equivalents			\$ 23,206,534
Per statement of net position - restricted cash			658,511
Per statement of fiduciary net position - cash and cash equivalents			4,665,599
			\$ 28,530,645

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

A. DEPOSITS AND INVESTMENTS (continued)

Wisconsin Local Government Investment Pool (LGIP)

The Village has investments in LGIP of \$4,526,895 at year end. The LGIP is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2023, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

Deposits in the local government investment pool (LGIP) are pooled along with the deposits of all of the LGIP participants. The balance in the LGIP represents a pro-rated share of the total investments in the LGIP portfolio, meaning that the LGIP balance is insured to the same extent that the entire LGIP portfolio is insured. As of December 31, 2023, 94.00% was invested in various US Government investments which are backed by the federal government and not insured; and 6.00% was invested in various certificates of deposits and banker's acceptance notes which are guaranteed by the state deposit guarantee fund up to their insurance limitations.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and/or proceeds from borrowing may have resulted in uninsured balances during the year significantly exceeding uninsured amounts at year end.

The Village maintains cash deposits within the LGIP. The deposit and investment balances of the various fund types on December 31, 2023 were as follows:

Local Government Investment Pool	
General Fund	\$ 4,394,405
Park Fund	63,077
Drainage	49,414
Utility District #1	6,729
Water Fund	13,270
	\$ 4,526,895

The Village has not formally adopted a deposit and investment policy but follows the requirements of the Wisconsin State statutes.

Deposits – Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian holding the Village's deposits, the deposits may not be returned.

The Village has an agreement with the bank for collateralization of its deposits and investments. The bank has pledged \$15,723,956 of various securities as collateralization for the Village's deposits.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

A. DEPOSITS AND INVESTMENTS (continued)

At December 31, 2023, the reported amount of the Village's deposits, including LGIP, was \$28,530,645 and the bank balance, including LGIP, was \$25,950,371. Of this balance, \$8,845,362 was not covered by federal depository insurance, collateralized securities, or by the Wisconsin insurance program. In addition, the Village maintained petty cash funds in the amount of \$2,708. The Village does not have a policy related to credit risk and believes it is not exposed to any major risk of loss in relation to its deposits.

Investments

As of December 31, 2023, the Village held \$4,804,724 in investments (including \$1,555,009 of restricted investments). All investments are reported at fair value. Investments with an original maturity greater than three months and remaining maturities less than one year are classified as short-term investments. Securities and similar investments that can be converted to cash are classified as current investments. The LGIP investments that can be converted to cash are considered cash and cash equivalents.

Generally accepted accounting principles (GAAP) defines the term fair value, establishes a framework for measuring it within generally accepted accounting principles, and expands disclosures about its measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Village has categorized its financial instruments based on the priority of the inputs to the valuation techniques, into a three-level value hierarchy. GAAP establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. All assets have been valued using a market approach. The three levels of inputs are as follows:

Level 1 Fair Value Measurements

Fair Values are based on quoted prices (unadjusted) in active markets for identical assets that the Village has the ability to access at the measurement date (e.g. prices derived from NYSE, NASDAQ, or Chicago Board of Trade).

Level 2 Fair Value Measurement

Fair Values are based on inputs other than quoted price included in Level 1 that are observable for valuing the asset or liability, either directly or indirectly (i.e. interest rate and yield curves observable at commonly quoted intervals, default rates, etc.). Observable inputs include quoted price for similar assets or liabilities in active or non-active markets. Level 2 inputs may also include insignificant adjustments to market observable inputs.

Level 3 Fair Value Measurements

Fair Values are based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Unobservable inputs are those that reflect the Village's own assumptions about the assumptions that market participant would use in pricing the asset, based on the best information available in the circumstances. An example could be real estate valuations, which require significant judgment.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

A. DEPOSITS AND INVESTMENTS (continued)

The Village's investments are reported as follows in the fair value hierarchy:

	Fair Value Measurements at Reporting Date Using:			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Fixed Income Securities	\$ 4,767,147	\$ 4,767,147	\$ -	\$ -
Certificates of Deposit	37,577	37,577	-	-
Total	<u>\$ 4,804,724</u>	<u>\$ 4,804,724</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

As a means of limiting exposure to losses arising from changes in market interest rates, the Village structures the portfolio so that they mature to meet ongoing operation requirements, thereby avoiding the need to sell prior to maturity. Investment maturities were as follows for the year ended December 31, 2023:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More Than 10
U.S. Government Fixed Income Securities	\$ 4,804,724	\$ 4,015,920	\$ 788,804	\$ -	\$ -
	<u>\$ 4,804,724</u>	<u>\$ 4,015,920</u>	<u>\$ 788,804</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

The Village has deposits in the Local Government Investment Pool which is not rated, however, consists of investments in federal government securities.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in an event or failure of the financial institution (e.g. broker-dealer), a government will not be able to cover the value of investments. With respect to investments held, securities in accounts are protected in accordance with the Securities Investor Protection Act of 1970 up to \$500,000, including cash claims limited to \$250,000. As of December 31, 2023, all of the Village's investments were in securities backed by the full faith and credit of the U.S. government.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

B. RECEIVABLES

Accounts Receivable

In the governmental funds, fire and ambulance revenues, and general government services revenue of the Village are reported net of uncollectible amounts. Gross governmental receivables related to these revenues were \$1,076,754. Total uncollectible amounts related to these receivables were \$813,435, resulting net collectible receivables of \$263,319 at year-end. Business type revenues from water and sewer services provided are also reported net of uncollectible amounts. The Village estimates that the receivable balance of \$920,802 is fully collectible, and no allowance for uncollectible amounts has been reported.

Special Assessments:

In the governmental funds, the Village reported \$680,274 for non-current special assessments receivable. In the proprietary funds, deferred special assessments of \$248,617 are recorded net of the uncollectible amount of \$220,362.

In 2022, the Village assessed the cost of certain water and sewer improvements within the TIDs to the benefitting properties. Assessments totaled \$9,123,998, were recognized in the Water and Sewer Funds in 2022, and are to be collected in equal installments over the 10-year period following the assessment. The Village believes the outstanding balance of \$7,642,549 is fully collectible, and has not recorded an allowance for uncollectible amounts. Of the amounts assessed, \$1,987,701 is due to be collected within one year.

Leases

The Village leases two cell towers and farm land under long-term lease agreements. The terms of these lease agreements are detailed in Note IV.G. The Village’s incremental borrowing rate of 2.73% has been used to calculate interest on the leases receivable.

No allowance for uncollectible leases has been recorded, as the payments are considered to be fully collectible. In January 2024, the easement on which one of the towers sits was sold by the Village, and the remaining lease was bought out by the new owners. The entire balance on the lease is reported as current on the accompanying financial statements. Future lease payments are to be received as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
12/31/2024	\$ 164,008	\$ 13,486	\$ 177,494
12/31/2025	13,689	13,122	26,811
12/31/2026	14,063	12,748	26,811
12/31/2027	14,447	12,364	26,811
12/31/2028	15,646	11,970	27,616
Thereafter	422,813	127,239	550,052
Total	<u>\$ 644,666</u>	<u>\$ 190,929</u>	<u>\$ 835,595</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

C. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Governmental Activities			
General Government		\$	64,269
Public Safety			387,944
Public Works			445,414
Leisure Activities			11,022
Conservation and Developmen			-
Total Governmental Activities - Depreciation Expense		<u>\$</u>	<u>908,649</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets not being depreciated:				
Land	\$ 4,000	\$ -	\$ -	\$ 4,000
Intangible Assets	21,660	-	-	21,660
Construction in Progress	5,380,220	889,836	(5,825,953)	444,103
Total Capital Assets not being depreciated	<u>5,405,880</u>	<u>889,836</u>	<u>(5,825,953)</u>	<u>469,763</u>
Other Capital Assets:				
Utility Plant in Service	69,511,579	6,310,272	(133,095)	75,688,756
Machinery & Equipment	2,852,987	504,356	(875)	3,356,468
Intangible Asset - Software	38,733	-	-	38,733
Total Other Capital Assets at Historical Cost	<u>72,403,299</u>	<u>6,814,628</u>	<u>(133,970)</u>	<u>79,083,957</u>
Less: Accumulated Depreciation	<u>(14,591,378)</u>	<u>(1,509,044)</u>	<u>874</u>	<u>(16,099,548)</u>
Net Total Other Capital Assets	<u>57,811,921</u>	<u>5,305,584</u>	<u>(133,096)</u>	<u>62,984,409</u>
Net Total Business-Type Activities Capital Assets	<u>\$ 63,217,801</u>	<u>\$ 6,195,420</u>	<u>\$ (5,959,049)</u>	<u>\$ 63,454,172</u>

Add: Net book value of fixed assets reported in Proprietary Funds and paid for by Governmental Funds	\$ (17,682,935)
Less debt related to capital assets	<u>(15,110,011)</u>
Net investment in capital assets for government-wide statements	<u>\$ 30,661,226</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

C. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Business - Type Activities	
Utility District #1	\$ 838,018
Somers Water Utility	525,357
KR Utility District	142,775
Storm Water District	2,894
Total Business - Type Activities Depreciation Expense	<u>\$ 1,509,044</u>

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The interfund balances shown below reflect a long-term loan formalized between the funds due to major projects completed in prior years not funded by external debt. The Water Fund owed \$584,372 to the KR Utility District with an interest rate of 0.17% over 20 years with a maturity date of 2033. As of December 31, 2023, the balance is \$294,667.

	<u>Principal</u>	<u>Interest</u>
For Year Ending December 31,		
2024	\$ 29,242	\$ 501
2025	29,292	451
2026	29,342	401
2027	29,391	352
2028	29,441	302
2029-2033	147,959	755
	<u>\$294,667</u>	<u>\$ 2,762</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (continued)

The following is a schedule of interfund receivables and payables.

Fund	Amount due from (to) other funds		
	Inter-fund Cash	Inter-fund Taxes	Total
	General Fund	\$ 1,939,818	\$ (5,081,335)
Debt Service	-	4,584,416	4,584,416
TID #1	-	22,576	22,576
TID #3	(408,516)	-	(408,516)
TID #4	(726,044)	-	(726,044)
TID #5	(108,085)	-	(108,085)
TID #7	(21,232)	-	(21,232)
TID #8	(242,404)	-	(242,404)
TID #9	(20,159)	-	(20,159)
TID #10	(7,753)	-	(7,753)
TID #11	(20,141)	-	(20,141)
Water Utility	(385,484)	52,633	(332,851)
KR Utility Dist.	-	9,113	9,113
Utility Dist. #1	-	120,858	120,858
Storm Water Utility	-	291,739	291,739
	\$ -	\$ -	\$ -

All of these balances will be repaid within the year.

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. For the Statement of Net Position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Amounts owed between governmental and business-type activities are shown as “internal balances” on the Statement of Net Position.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (continued)

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. The following are transfers for 2023:

Fund	In	Out	Reason
General Fund	\$ -	\$(1,800,754)	Fund capital projects
Capital Projects Fund	1,810,269	-	Fund capital improvements
Debt Service Fund	75,000	(27,893)	TID #2 Debt Service Payments
ARPA Fund	-	(9,515)	Fund capital improvements
TID #2	27,893	(75,000)	TID #2 Debt Service Payments
TID #3	295,508	-	Fund TID development
TID #6	670,997	(30,992)	Fund TID development
TID #8	171,585	-	Fund TID development
Utility District #1	14,521	(776,412)	Fund TID development
Water Fund	101,687	(446,894)	Fund TID development

E. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
General Obligation Bond	\$ 4,946,560	\$ 3,435,000	\$ 1,054,598	\$ 7,326,962	\$ 930,032
General Obligation Corporate Purpose	7,775,000	-	490,000	7,285,000	540,000
Revenue Bonds	5,795,000	-	325,000	5,470,000	340,000
Promissory Note	1,073,197	-	-	1,073,197	-
Tax Increment Project Revenue Bond	75,000	-	75,000	-	-
Add/(Subtract) Deferred Amounts For:					
(Discounts)/Premiums	323,330	227,449	22,430	528,349	-
Total Bonds and Notes Payable	<u>19,988,087</u>	<u>3,662,449</u>	<u>1,967,028</u>	<u>21,683,508</u>	<u>1,810,032</u>
Other Liabilities:					
Post Retirement Benefits	1,620,782	-	181,024	1,439,758	-
Vested Vacation and Sick Days	239,144	82,766	85,215	236,695	83,200
Developer Reimbursement Obligation	13,827,138	497,319	1,138,090	13,186,367	-
Total Other Liabilities	<u>15,687,064</u>	<u>580,085</u>	<u>1,404,329</u>	<u>14,862,820</u>	<u>83,200</u>
Total Governmental Activities-	<u>\$ 35,675,151</u>	<u>\$ 4,242,534</u>	<u>\$ 3,371,357</u>	<u>\$ 36,546,328</u>	<u>\$ 1,893,232</u>
Long-Term Liabilities					

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

E. LONG TERM OBLIGATIONS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-Type Activities					
Bonds and Notes Payable:					
General Obligation Bond	\$ 6,578,440	\$ -	\$ 1,190,402	\$ 5,388,038	\$ 1,199,967
Revenue Bonds	9,865,600	-	367,888	9,497,712	359,478
Add/(Subtract) Deferred Amounts For:					
Premium (Discounts)	251,513	-	27,252	224,261	-
Total Bonds and Notes Payable	<u>16,695,553</u>	<u>-</u>	<u>1,585,542</u>	<u>15,110,011</u>	<u>1,559,445</u>
Other Liabilities:					
Post Retirement Benefits	293,440	-	62,324	231,116	-
Vested Vacation and Sick Days	31,804	8,504	5,620	34,688	6,117
Total Other Liabilities	<u>325,244</u>	<u>8,504</u>	<u>67,944</u>	<u>265,804</u>	<u>6,117</u>
Total Business-Type Activities- Long-Term Liabilities	<u>\$ 17,020,797</u>	<u>\$ 8,504</u>	<u>\$ 1,653,486</u>	<u>\$ 15,375,815</u>	<u>\$ 1,565,562</u>

GENERAL OBLIGATION DEBT

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies 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 Village and Town may not exceed five percent of the equalized value of taxable property within the Village and Town's jurisdiction. The debt limit as of December 31, 2023, was \$59,062,055.

The Village's legal margin for creation of additional general obligation debt on December 31, 2023 was \$39,062,055 as follows:

Equalized valuation of the Village	\$ 1,181,241,100
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>59,062,055</u>
Net outstanding general obligation debt applicable to debt limitation	<u>20,000,000</u>
Legal margin for new debt	<u>\$ 39,062,055</u>

The Village is not obligated in any manner for special assessment debt.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

E. LONG TERM OBLIGATIONS (continued)

GENERAL OBLIGATION DEBT (continued)

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/23</u>
<u>Governmental Activities - General Obligation Debt</u>					
General Obligation Refunding Bond	2015	2026	2.00 - 3.50%	\$ 199,220	\$ 82,945
General Obligation Corporate Purpose Bonds	2016	2025	2.00 - 3.00%	5,170,000	3,495,000
General Obligation Refunding Bond	2017	2027	2.02%	4,364,002	564,017
General Obligation Refunding Bond	2018	2036	3.15% - 4.5%	1,675,000	1,300,000
General Obligation Refunding Bond	2020	2030	2.00%	1,660,000	1,205,000
General Obligation Refunding Bond	2021	2041	0.30% - 3.00%	5,080,000	4,530,000
General Obligation Refunding Bond	2023	2033	4.00%-5.00%	3,435,000	<u>3,435,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 14,611,962</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

E. LONG-TERM OBLIGATIONS (continued)

GENERAL OBLIGATION DEBT (continued)

Business type activities debt service requirements to maturity are as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/23</u>
<u>Business Type Activities - General Obligation Debt</u>					
General Obligation Refunding Bond	2015	2027	2.00 - 3.50%	\$ 8,975,780	\$ 3,737,055
General Obligation Refunding Bond	2017	2027	2.02%	84,098	30,983
General Obligation Refunding Bond	2021	2041	0.30% - 3.00%	1,855,000	<u>1,620,000</u>
Total Business Type Activities - General Obligation Debt					<u>\$ 5,388,038</u>
Total General Obligation Debt					<u><u>\$20,000,000</u></u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

E. LONG-TERM OBLIGATIONS (continued)

GENERAL OBLIGATION DEBT (continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$20,000,000 on December 31, 2023 are detailed below:

Years	Governmental Activities Debt		Business-Type Activities Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,470,032	\$ 468,058	\$ 1,199,968	\$ 137,638	\$ 2,670,000	\$ 605,696
2025	1,400,358	424,067	1,219,642	101,343	2,620,000	525,410
2026	1,460,141	380,764	1,214,859	63,468	2,675,000	444,232
2027	1,286,430	320,032	623,569	33,246	1,909,999	353,278
2028	1,150,001	262,990	130,000	21,300	1,280,001	284,290
2028-2032	5,480,000	754,389	700,000	65,600	6,180,000	819,989
2033-2037	2,115,000	119,775	300,000	6,000	2,415,000	125,775
2038-2041	250,000	7,700	-	-	250,000	7,700
	<u>\$ 14,611,962</u>	<u>\$ 2,737,775</u>	<u>\$ 5,388,038</u>	<u>\$ 428,595</u>	<u>\$ 20,000,000</u>	<u>\$ 3,166,370</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

E. LONG TERM OBLIGATIONS (continued)

REVENUE BONDS

Revenue bonds outstanding on December 31, 2023 totaled \$14,967,712 and was comprised of the following issues:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/23</u>
<u>Governmental Activities - Revenue Bonds</u>					
Revenue Bond	2017	2037	3.08%	3,165,000	\$ 2,410,000
Bonds	2018	2036	3.5% - 5%	3,515,000	<u>3,060,000</u>
Total Governmental Activities - Revenue Bonds					<u>\$ 5,470,000</u>
	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/23</u>
<u>Business Type Activities - Revenue Bonds</u>					
Revenue Bonds	2016	2036	2.00 - 3.00%	2,055,000	\$ 1,450,000
Revenue Bonds	2017	2037	2.00 - 4.00%	1,420,150	880,000
Safe Drinking Water Loan	2021	2050	1.595%	2,918,578	3,621,618
Clean Water Fund Loan	2021	2050	1.595%		<u>3,546,094</u>
Total Business Type Activities - Revenue Bonds					<u>\$ 9,497,712</u>
Total Revenue Bonds					<u>\$ 14,967,712</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

E. LONG TERM OBLIGATIONS (continued)

REVENUE BONDS (continued)

Annual principal and interest maturities of the outstanding revenue bonds of \$14,967,712 on December 31, 2023 are detailed below:

Years	Governmental Activities Debt		Business-Type Activities Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 340,000	\$ 214,866	\$ 359,478	\$ 181,571	\$ 699,478	\$ 396,437
2025	345,000	202,591	367,899	174,173	712,899	376,764
2026	345,000	190,041	376,374	166,094	721,374	356,135
2027	375,000	175,891	379,905	157,885	754,905	333,776
2028	405,000	158,666	388,493	149,269	793,493	307,935
2028-2032	2,125,000	524,031	2,088,306	609,034	4,213,306	1,133,065
2033-2037	1,535,000	105,397	1,971,969	373,188	3,506,969	478,585
2038-2042	-	-	1,403,755	229,066	1,403,755	229,066
2043-2047	-	-	1,519,333	112,566	1,519,333	112,566
2048-2051	-	-	642,200	10,284	642,200	10,284
	<u>\$ 5,470,000</u>	<u>\$ 1,571,483</u>	<u>\$ 9,497,712</u>	<u>\$ 2,163,130</u>	<u>\$ 14,967,712</u>	<u>\$ 3,734,613</u>

Governmental-activity revenue bonds

The Bonds are not general obligations of the Village but are special, limited obligations of the Village payable from revenues that are appropriated by the Village Board of the Village. The Village Board fully expects and anticipates that each year debt service is due on the Bonds, it shall appropriate Available Tax Increment to be derived from property in the TID in an amount sufficient to pay such amount in full. If a shortfall does occur, it will appropriate funds from other available funds of the Village sufficient to fund any such shortfall.

Business-type activity revenue bonds

The Village has pledged future utility district and water customers revenues, net of specified operating expenses, to repay the utility district and the water revenue bonds.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

E. LONG TERM OBLIGATIONS (continued)

Other Debt Information

For debt with variable rates, each debt payment has a specified interest rate.

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

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The Village believes it is in compliance with all significant limitations and restrictions.

The Village entered into an agreement with Bear Development for a tax increment revenue bond in exchange for infrastructure improvements paid for by Bear. Payment of the bond is dependent on the Village having sufficient TID revenues and other factors that are expected to occur.

In 2022 the Village obtained a construction line of credit from Tri-City bank, which bears interest at 3.15% and matures May 1, 2027. No principal payments are due until maturity. Interest is payable annually on the outstanding balance. The balance outstanding at December 31, 2023 was \$1,073,197.

F. RESTRICTED ASSETS

The Village's Restricted Assets at December 31, 2023 consisted of cash and cash equivalents as follows:

General Fund	\$ 24,158
Debt Service	
Debt Service Fund	\$ 198,804
Tax Incremental District #1	250,072
Tax Incremental District #2	376,364
Total Debt Service	<u>\$ 825,240</u>
Capital Project Fund	<u>\$ 1,023,019</u>
Special Revenue Funds	
Drainage	\$ 49,414
Ravine Park	26,711
Park	36,366
Total Special Revenue Funds	<u>\$ 112,491</u>
Utility District #1	
Debt Service	\$ 140,892
Total Utility District #1	<u>\$ 140,892</u>
Somers Water	
Debt Service	\$ 87,721
Total Somers Water	<u>\$ 87,721</u>
Total Restricted Cash and Investments	<u>\$ 2,213,521</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

G. LEASE DISCLOSURES

The Village leases land for a cell tower to telecommunications company. The lease is for 20 years and ends on April 8, 2029. Rent is payable in monthly installments of \$2,160 and is adjusted for inflation. The Village recognized rental income of \$18,073 and \$4,433 of interest income on this lease for the year ended December 31, 2023. The remaining amount receivable on this lease is \$150,683. Deferred inflows on the lease totaled \$94,881 for the year ended December 31, 2023. In January 2024, the easement on which this tower is located was sold by the Village, and the lease was bought out by the new buyer.

The Village leases land for a second cell tower to another telecommunications company. The lease is for 25 years and ends on November 6, 2048. Rent is payable in annual installments of \$26,811 and is adjusted for inflation. The Village recognized rental income of \$11,210 and \$13,840 of interest income on this lease for the year ended December 31, 2023. The remaining amount receivable on this lease is \$493,984. Deferred inflows on the lease totaled \$269,048 for the year ended December 31, 2023.

The Village leases farm land to an individual. The lease is for three years and ends on December 31, 2024. Rent is payable in annual installments of \$7,560. The Village recognized rental income of \$7,361 and \$396 of interest income on this lease for the year ended December 31, 2023. The remaining amount receivable on this lease is \$7,359. Deferred inflows on the lease totaled \$7,361 for the year ended December 31, 2023.

H. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET POSITION

Governmental activities net position reported on the government-wide Statement of Net Position at December 31, 2023 includes the following:

GOVERNMENTAL ACTIVITIES

Net Investment in Capital Assets	
Land and construction in progress	\$ 1,143,695
Other capital assets, net of accumulated depreciation	16,152,348
Business-type capital assets bonded with government-type debt	17,682,935
Less: related long-term debt outstanding (net of unspent proceeds of debt and vacation accrual)	(20,683,510)
Total Investment in Capital Assets	14,295,468
Restricted	1,270,691
Unrestricted (deficit)	(18,370,764)
Total Governmental Activities Net Position	\$ (2,804,605)

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

H. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET POSITION (continued)

BUSINESS-TYPE ACTIVITIES

	KR Utility District	Utility District #1	Somers Water	Storm Water Utility	Total
Net Investment in Capital Assets					
Construction in progress	\$ -	\$ 324,737	\$ 117,977	\$ 1,391	\$ 444,105
Other capital assets, net of accumulated depreciation	6,001,475	29,822,379	27,044,430	141,783	63,010,067
Less: related long-term debt outstanding (net of unspent proceeds of debt and vacation accrual	-	(9,178,266)	(5,931,745)	-	(15,110,011)
Net book value of fixed assets reported in Proprietary Funds and paid for by Governmental Funds	(5,407,315)	(3,055,440)	(9,220,181)	-	(17,682,936)
Total Investment in Capital Assets	594,160	17,913,410	12,010,481	143,174	30,661,225
Restricted	-	-	-	-	-
Unrestricted	6,223,391	15,495,658	11,643,360	999,100	34,361,509
Total Business-Type Activities Net Position	<u>\$ 6,817,551</u>	<u>\$ 33,409,068</u>	<u>\$ 23,653,841</u>	<u>\$ 1,142,274</u>	<u>\$ 65,022,734</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

H. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET POSITION (continued)

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

Nonspendable

Major Funds	
General Fund - prepaid expenses	\$ 11,245
Total Nonspendable	<u>\$ 11,245</u>

Restricted

Major Funds	
Debt Service - debt service purposes only	\$ 8,183,193
Non-Major Funds	
Tax Incremental Districts - TID purposes only	\$ 1,076,749
Drainage Fund - drainage purposes only	142,373
Park Fund - park purposes only	51,569
Total Restricted	<u>\$ 9,453,884</u>

Assigned

Major Funds	
General Fund - Fourth of July Parade	\$ 3,773
General Fund - subsequent year expenditures	525,848
Capital Projects	2,312,668
Total Assigned	<u>\$ 2,842,289</u>

Unassigned

Major Funds	
General Fund - undesignated funds	\$ 5,297,273
Non-Major Funds	
Tax Incremental Districts - deficit (See Note III C.)	\$(1,573,031)
Total Unassigned	<u>\$ 3,724,242</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Summary of Significant Accounting Policies

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

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

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

A. EMPLOYEES’ RETIREMENT SYSTEM (continued)

Summary of Significant Accounting Policies (continued)

retirement benefit will be calculated as a money purchase benefit based on the employee’s contributions plus matching employer’s contributions, with interest, if that benefit is higher than the formula benefit.

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

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$189,278 in contributions from the employer.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

A. EMPLOYEES’ RETIREMENT SYSTEM (continued)

Contribution rates as of December 31, 2022 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

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

At December 31, 2023, the Village reported a net pension liability of \$866,938 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2022, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village’s proportion of the Net Pension Asset was based on the Village’s share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the Village’s proportion was 0.0163443%, which was an increase of 0.00027051% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2023 the Village recognized pension expense of \$426,526.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,380,763	\$ 1,814,014
Net differences between projected and actual earnings on pension plan investments	1,472,733	-
Changes in assumptions	170,476	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,318	11,242
Employer contributions subsequent to the measurement date	234,301	-
Total	\$ 3,262,591	\$ 1,825,256

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

A. EMPLOYEES’ RETIREMENT SYSTEM (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

\$234,301 reported as deferred outflows related to pension resulting from the WRS Employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflow of Resources	Deferred Inflows of Resources
2023	\$ 1,675,829	\$ (1,625,914)
2024	1,467,943	(1,219,646)
2025	1,179,227	(925,384)
2026	922,479	(271,505)
2027	-	-
Total	\$ 5,245,478	\$ (4,042,449)

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

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

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

A. EMPLOYEES’ RETIREMENT SYSTEM (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

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 geometric real rates of return for each major asset class are summarized in the following table:

**Asset Allocation Targets and Expected Returns
As of December 31, 2022**

	Asset Allocation	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class	%		
Global Equities	48	7.6	5
Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund	115	7.4	4.8
Variable Fund Asset Class			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

A. EMPLOYEES’ RETIREMENT SYSTEM (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village’s proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the Village’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the Village’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

1% Decrease to Discount Rate 5.80%	Current Discount Rate 6.80%	1% Increase to Discount Rate 7.80%
Entity's proportionate share of the net pension liability (asset)	\$ 2,877,342	\$ 866,938
		\$ (516,045)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

RETIREE HEALTH INSURANCE

Plan Descriptions and Benefit Information

The Village of Somers Retiree Health Insurance Plan is a single-employer plan. The plan is administered by the Village and does not issue a standalone financial report. Certain retirees and certain non-represented employees of the Village, identified by name in the employee manual, are eligible for the benefit, along with the Village's new and existing firefighters. The Village pays a portion of these individuals' health insurance premiums for continued coverage under the then-existing Village group health insurance plan following retirement and until eligibility for Medicare insurance. Alternatively, retirees who have become eligible for Medicare supplemental insurance, may be entitled to payments of a portion of their Medicare supplemental health insurance premiums based upon a pre-determined and approved schedule available in the employee manual. The partial premium payments are for the retiree only and do not include family or spousal coverage. As related to OPEB, retirees are retired firefighters or non-represented employees or who were eligible for health insurance coverage from the Village for a period of not less than five (5) years prior to retirement and who have retired from such employment with the Village in good standing. Apart from the firefighters, no benefit is available for any retiree who was not a full-time, non-represented employee of the Village on or before January 1, 2011.

Funding Policy

The Village contribution is based on actual pay-as-you-go expenditures. Premium payments are made as a reimbursement of eligible costs directly to the retiree according to the details set forth in the employee manual. This manual, and the post-employment benefits offered have been established and can be amended by the Somers Village Board. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4. The trust does not meet the criterion that the Village's contributions be irrevocable.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The Village generated an OPEB financial report with a valuation date of December 31, 2022 through the GASB help website, a service of the actuarial firm, Milliman, Inc. This method is called the Alternative Measurement Method, which is done in place of a full actuarial valuation.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

RETIREE HEALTH INSURANCE (continued)

Assumptions and methods used in this valuation are summarized as follows:

Age Adjustment Factor:	1.360
Average Retirement Age:	50 for Fire Dept; 65 for others
Employer Future Premium Contribution:	Remain a level % of the total cost over time
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll
Assets Backing OPEB Liability:	\$0
Plan Asset Return:	0.000%
Bond Yield:	3.620%
Discount Rate:	3.620%
Measurement Date:	12/31/2022
Prior Measurement Date:	12/31/2021
Prior Year Discount Rate:	3.460%
Projected Salary Increases:	3.00%
Amortization Period:	20
Percentage Participation:	100.00%
NOL and ADC:	Calculated using the Alternative Measurement Method in accordance with GASB methodology.
Mortality Table:	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.
Turnover Assumption:	Derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System

The Village adopted the current employee manual providing these other post-employment benefits with an effective date of January 1, 2011. The Village has not established a separate, irrevocable trust to fund the annual OPEB cost. The Village used a 20-year tax-exempt municipal bond yield rate since the plan's net position is not projected to cover benefit payments. The Village administers the plan and has not allocated administrative expenses specifically to the plan.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

RETIREE HEALTH INSURANCE (continued)

The Village reported an OPEB liability of \$1,385,832 for the year ended December 31, 2023. Below is a calculation of the liability using a discount rate that is 1% greater and 1% less than the baseline rate shown on the previous table:

	1% Decrease to Discount Rate 2.460%	Current Discount Rate 3.460%	1% Increase to Discount Rate 4.460%
Net OPEB liability	\$ 1,553,185	\$ 1,385,832	\$ 1,246,582

Changes to the OPEB liability from the prior year to the current year are explained below:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2022	\$ 1,393,450	\$ -	\$ 1,393,450
Changes for the year:			
Service cost	29,939	-	29,939
Interest	44,569	-	44,569
Contributions and benefit payments	(5,034)	-	(5,034)
Economic/demographic gains or losses	(52,997)	-	(52,997)
Changes in assumptions or inputs	(24,095)	-	(24,095)
Balance at December 31, 2023	\$ 1,385,832	\$ -	\$ 1,385,832

The Village recognized an OPEB expense of \$29,939 for the year ended December 31, 2023. No payables were outstanding as of the end of the year.

Information about the number of active/inactive employees and retirees was as follows:

Village of Somers Retiree Health Insurance Plan	
Inactive employees or beneficiaries currently receiving benefit payments	6
Active employees	12
	18

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

RETIREE HEALTH INSURANCE (continued)

The healthcare baseline trend rate used in the calculation is as follows:

	Medical	Pharmacy	Dental	Vision
Year 1	4.90%	5.20%	3.50%	3.00%
Year 2	4.80%	4.80%	3.50%	3.00%
Year 3	4.70%	4.70%	3.00%	3.00%
Year 4	4.70%	4.60%	3.00%	3.00%
Year 5	4.60%	4.50%	3.00%	3.00%
Year 6	4.50%	4.40%	3.00%	3.00%
Year 7	4.40%	4.30%	3.00%	3.00%
Year 8	4.30%	4.20%	3.00%	3.00%
Year 9	4.30%	4.20%	3.00%	3.00%
Year 10	4.30%	4.20%	3.00%	3.00%

Below is a calculation of the OPEB liability using a 1% decrease and a 1% increase to the base healthcare trend rates:

	1% Decrease	Healthcare Cost Baseline Trend Rate	1% Increase
Net OPEB liability	\$ 1,233,116	\$ 1,385,832	\$ 1,559,892

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

Other Post-Employment Benefits (OPEB). The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, and
- OPEB Expense (Revenue).

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Other Post-Employment Benefits

Plan description. The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (continued)

for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>. Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

Benefits provided. The LRLIF plan provides fully paid-up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member’s working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2022 are:

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

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2022 are as listed below:

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (continued)

Life Insurance Employee Contribution Rates* For the year ended December 31, 2022		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

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

During the reporting period, the LRLIF recognized \$1,501 in contributions from the employer.

At December 31, 2023, the Village reported a liability of \$285,044 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability (asset) was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the Village's proportion was 0.07481800%, which was a decrease of 0.01273200% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized OPEB expense of \$8,556 for the Fund. No payables were outstanding as of the end of the year.

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 27,896
Net differences between projected and actual earnings on OPEB plan investments	5,349	-
Changes in assumptions	102,410	168,254
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,186	151,377
Contributions subsequent to the measurement date	3,860	-
Total	\$ 159,805	\$ 347,527

\$3,860 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31	Deferred Outflow of Resources	Deferred Inflows of Resources
2023	\$ 61,869	\$ 87,650
2024	48,420	74,741
2025	31,263	53,416
2026	13,227	51,307
2027	1,166	46,750
2028	-	33,663
Thereafter	-	-
Total	\$ 155,945	\$ 347,527

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (continued)

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.72%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	3.76%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

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

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2022**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	45.00%	1.68%
US Mortgages	Bloomberg US MBS	50.00%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (continued)

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

Single Discount rate. A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the Village’s proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the Village’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76%, as well as what the Village’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76%) or 1-percentage-point higher (4.76% percent) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
Entity's proportionate share of the net OPEB liability (asset)	\$ 388,627	\$ 285,044	\$ 205,659

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

C. RISK MANAGEMENT

The Village of Somers is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the Village of Somers to purchase commercial insurance for the risks of losses to which it is exposed.

D. COMMITMENTS AND CONTINGENCIES

From time to time, the Village 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 Village's Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

Funding for the operating budget of the Village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Village.

E. INTERGOVERNMENTAL AGREEMENT BETWEEN TOWN OF SOMERS AND VILLAGE OF SOMERS

On April 24th, 2015, the Secretary of State for the State of Wisconsin issued an incorporation certificate, recognizing the Village of Somers (Village) as an independent Wisconsin municipality consisting of lands that were formerly located in the Town of Somers (Town).

The Town provided municipal services to the property owners and residents of the Town prior to the incorporation of the Village and in order to continue the adequate provision of services on a cost effective basis, the Town and Village entered into an agreement whereby the Village will provide the majority or all municipal services for the benefit of the Town and Village, and the Town and Village will share the costs of these services in accordance with the proportions and other terms listed below.

The Town and Village of Somers did annex a portion of the "Remnant Town" into the Village, leaving the remaining "B" area to be annexed by the City of Kenosha as a result of a boundary agreement between the Town of Somers and the City of Kenosha.

Wisconsin statute §66.0235 requires the Town and Village to apportion assets and liabilities as a result of the recent incorporation of the Village and further apportionment will be required in accordance with the boundary adjustments detailed in the Agreement.

Terms of the Agreement:

Term shall be 10 years from the effective date with mutual 10-year renewal until such time that the "B" Area is annexed to the City. The "Effective Date" shall be Midnight of December 31, 2015.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

E. INTERGOVERNMENTAL AGREEMENT BETWEEN TOWN OF SOMERS AND VILLAGE OF SOMERS
(continued)

Apportionments of Assets and Liabilities:

Before apportioning any other asset or liability, all monetary assets and liabilities presently owned or owed by the Town shall be apportioned in accordance with the formula contained at §66.0235(2)(b) based upon the average assessed valuation for the preceding five (5) years of the post-boundary-line change Town and Village areas, respectively. Because all assets permitted by law will be transferred by the Town to the Village, the goal is to ensure that assets and liabilities that must be divided by law are divided in the appropriate proportion before deciding the apportionment of any other tangible asset.

The majority of debt of the Town and Village is General Obligation (GO) Debt issued either through competitive bids, through the State Trust Fund, or by other means and backed by the full faith and credit of the Town prior to incorporation. It is required that this debt be apportioned between the Village and Town regardless of the purpose for which it was issued unless otherwise permitted by law.

Following apportionment, and as determined by the apportionment board, the Town may lease any real estate, buildings, road maintenance equipment, park equipment, vehicles, fire and rescue equipment, garbage and recycling equipment, and other similar non-monetary assets that it retains after apportionment, to the Village in exchange for payment of \$1.00 in annual consideration (the Village's compliance with the other terms and conditions contained in this Agreement will serve as additional consideration for said lease the receipt of which is acknowledged by Town).

Provision of Municipal Services:

All *public works and related services* that were previously provided by the Town for the benefit of the Town shall hereafter be provided by the Village for the benefit of the Town and Village.

The Village shall provide *fire and rescue services* to its own property owners and residents and to the Town's property owners and residents.

Parties to this agreement agree to jointly operate the *Somers Municipal Court* and share in its cost and revenue.

The Town is presently a party to a contract with a private contracted service providing *refuse and recycling services* to property owners and residents. This contract continued in force and effect for the duration of their term. The contract with the private vendor was transferred to the Village on the effective date of this intergovernmental agreement.

The Village shall be responsible for the maintenance of all parks located in the Town and Village.

Town and Village shall share all employees and administrative staff. The employees will be employees of the Village and the Town shall contribute to the cost. The record keeping will be performed by the Village staff. All employees of the Town shall be terminated by the Town and rehired by the Village on terms identical to the terms of their current employment with the Town. Any Collective Bargaining Agreement shall be assigned from the Town to the Village as of the Effective Date.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

E. INTERGOVERNMENTAL AGREEMENT BETWEEN TOWN OF SOMERS AND VILLAGE OF SOMERS
(continued)

The Town and Village shall appoint a common *Clerk and Treasurer* and share the cost.

Payment of Expenses Related to Shared Services:

Unless otherwise agreed by the Parties, the Town and Village shall be jointly responsible for the cost of all shared services in the nature of public works, public safety, refuse and recycling, parks, administrative staff, and costs resulting from the provision of similar services, as referenced above.

The Town and Village shall each pay the proportion of total expenses equal to their respective share of the total assessed value of all real and personal property located in the Town and Village in the prior year. This value shall be based upon legally taxable value as determined by the Village assessor.

Apportionment of Levy:

The apportionment of the levy shall be based upon the property originally approved by the State Department of Administration to become a Village, plus any subsequent properties annexed to the Village by ordinance adopted by the Village Board. In this case, to the degree practicable, the mill rate of the Village shall equal the mill rate of the Town. For the 2017 budget and subsequent budgets, the apportionment ratio shall be as determined by the Kenosha County Division of Land Information using the best information available as determined by the Division of Land Information. For 2023, the levy was assessed in compliance with these terms.

Assignment of Revenue:

The Town does hereby agree to assign revenues to the Village to the degree allowed by State or Federal agencies.

Contracts:

All contracts held by the Town in 2015 through 2017 were transferred to the Village.

Capital Expenditures:

The cost of any new capital equipment or other asset necessary or useful for the provision of the municipal services contemplated herein shall be apportioned between the Town and Village in a proportion equal to their respective shares of the total assessed value of all real and personal property located in the Town and Village in the prior year.

Capital Financing & Debt:

In accordance with 66.0301, all existing debt of the Town that was not already transferred to the Village on May 26, 2015 (the "Existing Debt") was transferred to the Village. It is the intention of the Village and the Town that each municipality share the cost of the Existing Debt in proportion to the assessed value (TID out) of each municipality. In order to evidence the intention to share the cost of the Existing Debt, the Town shall issue a general obligation promissory note (the "Note") to the Village for its proportionate share of the Existing Debt based upon its share of assessed value.

The Village will issue all future debt (the "New Debt") to fund municipal projects pursuant to this IGA, to include GO debt, leases, revenue bonds, conduit debt, or any other debt needed to fund the joint budget, the Utility, or any TIF district in the Village including refunding bonds. Therefore, in order to be able to

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

E. INTERGOVERNMENTAL AGREEMENT BETWEEN TOWN OF SOMERS AND VILLAGE OF SOMERS
(continued)

adjust the principal amount of the Note to reflect either or both (1) any change in the proportionate share of assessed value and/or (2) additional obligations of the Town in connection with additional debt issued by the Village on behalf of the Town, the Note shall be issued for a two-year term. The payments due in the first year of the Note will reflect the Town's share of debt service on the Existing Debt and the New Debt in that same year and the payments due in the second year will be the remaining principal plus interest.

GO debt service for general fund debt, or other debt intended to be funded by tax levy through operation of this agreement shall be apportioned between the Town and Village based upon assessed value in accord with apportionment and assessment standards.

Resolution No. 2015-19 was signed on December 22, 2015 as a result of the incorporation of the Village and the existence of the Town. This resolution authorizes the issuance of a \$241,410.01 General Obligation promissory note to the Village of Somers to pay the Town's share of the cost of obligations incurred by the Town or on behalf of the Town.

Tax provisions of the note: For the purpose of paying the principal and interest of the note, the full faith, credit, and resources of the Town are irrevocably pledged, and it is levied upon all of the taxable property of the Town as a direct annual irrevocable tax in the years 2020 and 2021 for the payments due in the years 2020 and 2021 in the amounts in the following schedule.

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total-Year</u>
3/1/2020	\$ -	\$ 17,323	\$ 17,323
9/1/2020	104,059	-	104,059
3/1/2021	-	12,408	12,408
9/1/2021	85,174	-	85,174

The Town's revenues are recorded within the Village's accounts so therefore this note is considered paid to the Village and not an outstanding receivable.

F. INCORPORATION AND CLASSIFICATION OF TOWN RELATED REVENUE AND EXPENDITURES INTO THIS REPORT

According to the IGA, the Village provides all services required by the Town and the Town reimburses these services based on their assessed valuation. The budget and the levy reflect those of both municipalities. Therefore, for accounting and management purposes, the Village records all of the revenues and expenditures of the Town in the Village's general ledger. For purposes of this audit report, Town revenues from the State or external sources are reported in the same classification in the Village books as the Village revenue. The expenditures of the Town are also reported in this audit report in the same functional categories as the Village expenditures.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE V – OTHER INFORMATION (continued)

G. SUBSEQUENT EVENTS

Management evaluated subsequent events through September 24, 2024, the date the financial statements were available to be issued. Except for the tower easement sale described in Note IV.G., management is not aware of any events that would require disclosure in the financial statement footnotes.

H. PRIOR PERIOD ADJUSTMENTS

Prior year contributions to the Storm Water Fund totaling \$109,322 were not recorded as contributed in the prior year. These are for engineering fees incurred by the TID funds that were paid on behalf of the Storm Water Fund. A prior period adjustment was required to recognize these contributions as part of the proprietary funds.

I. ACCOUNTING PRONOUNCEMENTS ADOPTED IN THE CURRENT YEAR

During 2023, the Village adopted GASB issued Statement No. 96, *Subscription-Based Information Technology Agreements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Implementation did not significantly affect the Village's financial statements.

VILLAGE OF SOMERS

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SOMERS
KENOSHA COUNTY, WISCONSIN

Schedule of Changes in Health Insurance OPEB Liability*

	<u>Last 10 Fiscal Years</u>					
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB Liability						
Balance as of Prior Measurement Date	\$ 1,349,694	\$ 1,147,677	\$ 1,159,112	\$ 1,300,638	\$ 1,260,448	\$ 1,393,450
Service Cost	46,073	32,110	29,939	29,939	29,939	29,939
Interest on Total OPEB Liability	34,792	50,745	43,567	43,567	44,569	44,569
Effect of Plan Changes	-	-	-	-	-	-
Effect of Economic/Demographic Gains of Losses	(63,230)	(63,231)	69,592	69,592	87,144	(52,997)
Effect of Assumptions Changes or Inputs	(211,463)	-	3,820	(178,965)	(24,095)	(24,095)
Benefit Payments	-	-	-	-	-	-
Employer Contributions	(8,189)	(8,189)	(5,392)	(4,323)	(4,555)	(5,034)
Employee Contributions	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-
Administrative Expenses	-	-	-	-	-	-
Balance as of Current Measurement Date	<u>\$ 1,147,677</u>	<u>\$ 1,159,112</u>	<u>\$ 1,300,638</u>	<u>\$ 1,260,448</u>	<u>\$ 1,393,450</u>	<u>\$ 1,385,832</u>

See Notes to Required Supplementary Information.

Schedule of Proportionate Share of the Net OPEB Liability (Asset)
Retiree Health Insurance Plan - Last 10 Fiscal Years*

Plan Year	Net OPEB	Fiduciary Net	Covered	Proportionate	Covered	Plan Fiduciary
Ending	Liability	Position	Employee	Share of the Net	Employee	Net Position as
			Payroll	OPEB Liability	Payroll	a Percentage of
				(Asset) as a		the Total OPEB
				Percentage of		Liability (Asset)
12/31/2017	\$ 1,349,694	\$ -	\$ 796,915	0.00%	0.00%	0.00%
12/31/2018	1,147,677	-	802,342	0.00%	0.00%	0.00%
12/31/2019	1,159,112	-	1,011,066	0.00%	0.00%	0.00%
12/31/2020	1,300,638	-	939,915	0.00%	0.00%	0.00%
12/31/2021	1,260,448	-	910,388	0.00%	0.00%	0.00%
12/31/2022	1,393,450	-	916,446	0.00%	0.00%	0.00%
12/31/2023	1,385,832	-	881,569	0.00%	0.00%	0.00%

*This schedule is required to show data for the last ten fiscal years. More years will be added as data becomes available.

See Notes to Required Supplementary Information.

VILLAGE OF SOMERS

KENOSHA COUNTY, WISCONSIN

**Schedule of Proportionate Share of the Net OPEB Liability (Asset)
Local Government Life Insurance Fund - Last 10 Fiscal Years***

Plan Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate		Share of the Net OPEB Liability (Asset) as a Percentage of	
		Share of the Net OPEB Liability (Asset)	Covered Employee Payroll	Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/2017	0.09932600%	\$ 298,830	\$ 4,176,942	7.15%	44.81%
12/31/2018	0.10632000%	274,341	1,711,000	16.03%	48.69%
12/31/2019	0.11095200%	472,455	1,810,000	26.10%	37.58%
12/31/2020	0.10464300%	575,612	1,889,000	30.47%	31.36%
12/31/2021	0.08755000%	517,453	1,609,000	32.16%	29.57%
12/31/2022	0.07481800%	285,044	1,887,000	15.11%	0.00%

*This schedule is required to show data for the last ten fiscal years. More years will be added as data becomes available.

See Notes to Required Supplementary Information.

VILLAGE OF SOMERS
KENOSHA COUNTY, WISCONSIN

Schedule of Proportionate Share of the Net Pension Liability (Asset)

Wisconsin Retirement System - Last 10 Fiscal Years

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/15	0.01304000%	\$ 320,298	\$ 1,376,535	-23.27%	102.74%
12/31/16	0.01232447%	58,610	1,430,073	14.00%	98.2%
12/31/17	0.01962601%	(582,718)	1,709,958	-14.93%	102.93%
12/31/18	0.02081402%	740,497	1,822,913	40.62%	96.45%
12/31/19	0.01491872%	(481,047)	1,902,152	-25.29%	102.96%
12/31/20	0.01547884%	(966,364)	2,010,496	-48.07%	210.52%
12/31/21	0.01609392%	(1,297,198)	2,124,264	-61.07%	212.04%
12/31/22	0.01636443%	866,938	2,037,852	42.54%	191.44%

Schedule of Employer Contributions

Wisconsin Retirement System - Last 10 Fiscal Years

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
12/31/15	\$ 115,376	\$ 115,376	\$ -	\$ 1,376,535	8.32%
12/31/16	115,160	115,160	-	1,430,073	8.05%
12/31/17	148,649	148,649	-	1,709,958	8.69%
12/31/18	154,402	154,402	-	1,822,913	8.47%
12/31/19	159,140	159,140	-	1,924,363	8.27%
12/31/20	185,017	185,017	-	1,902,152	9.73%
12/31/21	183,608	183,608	-	2,010,496	9.13%
12/31/22	195,785	195,785	-	2,124,264	9.22%
12/31/23	231,746	231,746	-	2,309,105	10.04%

See Notes to Required Supplementary Information.

*These schedules are required to show data for the last ten fiscal years. More years will be added as data becomes available.

See Notes to Required Supplementary Information.

VILLAGE OF SOMERS

Notes to Required Supplementary Information December 31, 2023

NOTE A – GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71

The Village implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* for the fiscal year ended December 31, 2015. Information for prior years is not available. The amounts presented for each fiscal year were determined as of the calendar year end that occurred with in the fiscal year.

NOTE B – GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 75

The Village implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended December 31, 2018. Information for prior years is not available. The Village currently has no assets accumulated in a trust for the single employer plan.

NOTE C – WISCONSIN RETIREMENT SYSTEM

There were no changes of benefit terms for any participating employer in WRS.

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

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

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

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

VILLAGE OF SOMERS

Notes to Required Supplementary Information December 31, 2023

NOTE C – WISCONSIN RETIREMENT SYSTEM (CONTINUED)

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The Village is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

NOTE D – LOCAL RETIREE LIFE INSURANCE FUND

There were no changes in benefit terms.

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

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

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

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

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The Village is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

VILLAGE OF SOMERS
KENOSHA COUNTY, WISCONSIN

SUPPLEMENTARY INFORMATION

**VILLAGE OF SOMERS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2023**

	Special Revenue Funds				Capital Projects Funds				
	Drainage Fund	Park Fund	ARPA Fund	Total Special Revenue Funds	Tax Incremental District #1	Tax Incremental District #2	Tax Incremental District #3	Tax Incremental District #4	Tax Incremental District #5
ASSETS									
Cash and cash equivalents	\$ 92,959	\$ 13,492	\$ 551,797	\$ 658,248	\$ 628,163	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	317,425	-	-	-	-
Property taxes receivable	-	-	-	-	22,576	-	-	-	-
Miscellaneous receivable	-	-	-	-	-	-	17,900	-	-
Restricted cash	49,414	63,077	-	112,491	-	-	-	-	-
Deferred special assessments	-	-	-	-	389,814	290,460	-	-	-
TOTAL ASSETS	<u>\$ 142,373</u>	<u>\$ 76,569</u>	<u>\$ 551,797</u>	<u>\$ 770,739</u>	<u>\$ 1,357,978</u>	<u>\$ 290,460</u>	<u>\$ 17,900</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 48,627	\$ 7,078	\$ 4,115	\$ 3,932	\$ 20,472
Due to other funds	-	-	-	-	-	-	408,516	726,044	108,085
Developer deposits	-	25,000	-	25,000	-	-	-	-	-
Unearned revenues	-	-	551,797	551,797	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>25,000</u>	<u>551,797</u>	<u>576,797</u>	<u>48,627</u>	<u>7,078</u>	<u>412,631</u>	<u>729,976</u>	<u>128,557</u>
DEFERRED INFLOWS OF RESOURCES									
Deferred tax levy	-	-	-	-	22,576	-	-	-	-
Deferred special assessments	-	-	-	-	387,048	290,460	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,624</u>	<u>290,460</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES									
Restricted									
Tax Incremental Districts	-	-	-	-	899,727	-	-	-	-
Drainage fund	142,373	-	-	142,373	-	-	-	-	-
Park fund	-	51,569	-	51,569	-	-	-	-	-
Unassigned	-	-	-	-	-	(7,078)	(394,731)	(729,976)	(128,557)
Total fund balances (deficit)	<u>142,373</u>	<u>51,569</u>	<u>-</u>	<u>193,942</u>	<u>899,727</u>	<u>(7,078)</u>	<u>(394,731)</u>	<u>(729,976)</u>	<u>(128,557)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 142,373</u>	<u>\$ 76,569</u>	<u>\$ 551,797</u>	<u>\$ 770,739</u>	<u>\$ 1,357,978</u>	<u>\$ 290,460</u>	<u>\$ 17,900</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
December 31, 2023**

	Capital Projects Funds						Total Capital Project Funds	Total Nonmajor Governmental Funds
	Tax Incremental District #6	Tax Incremental District #7	Tax Incremental District #8	Tax Incremental District #9	Tax Incremental District #10	Tax Incremental District #11		
ASSETS								
Cash and cash equivalents	\$ 290,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 918,441	\$ 1,576,689
Investments	-	-	-	-	-	-	317,425	317,425
Property taxes receivable	-	-	-	-	-	-	22,576	22,576
Miscellaneous receivable	4,268	-	-	-	-	-	22,168	22,168
Restricted cash	-	-	-	-	-	-	-	112,491
Deferred special assessments	-	-	-	-	-	-	680,274	680,274
TOTAL ASSETS	<u>\$ 294,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,960,884</u>	<u>\$ 2,731,623</u>
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 117,524	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 202,748	\$ 202,748
Due to other funds	-	21,232	242,404	20,159	7,753	20,141	1,554,334	1,554,334
Developer deposits	-	-	-	-	-	-	-	25,000
Unearned revenues	-	-	-	-	-	-	-	551,797
TOTAL LIABILITIES	<u>117,524</u>	<u>22,232</u>	<u>242,404</u>	<u>20,159</u>	<u>7,753</u>	<u>20,141</u>	<u>1,757,082</u>	<u>2,333,879</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred tax levy	-	-	-	-	-	-	22,576	22,576
Deferred special assessments	-	-	-	-	-	-	677,508	677,508
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,084</u>	<u>700,084</u>
FUND BALANCES								
Restricted								
Tax Incremental Districts	177,022	-	-	-	-	-	1,076,749	1,076,749
Drainage fund	-	-	-	-	-	-	-	142,373
Park fund	-	-	-	-	-	-	-	51,569
Unassigned	-	(22,232)	(242,404)	(20,159)	(7,753)	(20,141)	(1,573,031)	(1,573,031)
Total fund balances (deficit)	<u>177,022</u>	<u>(22,232)</u>	<u>(242,404)</u>	<u>(20,159)</u>	<u>(7,753)</u>	<u>(20,141)</u>	<u>(496,282)</u>	<u>(302,340)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 294,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,960,884</u>	<u>\$ 2,731,623</u>

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	Special Revenue Funds				Capital Projects Funds				
	Drainage Fund	Park Fund	ARPA Fund	Total Special Revenue Funds	Tax Incremental District #1	Tax Incremental District #2	Tax Incremental District #3	Tax Incremental District #4	Tax Incremental District #5
REVENUES									
Intergovernmental	\$ -	\$ -	\$ 9,515	\$ 9,515	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	13,362	78,765	46,792	-	87,831
Investment income	2,417	3,086	-	5,503	86,100	-	-	-	-
Total Revenues	<u>2,417</u>	<u>3,086</u>	<u>9,515</u>	<u>15,018</u>	<u>99,462</u>	<u>78,765</u>	<u>46,792</u>	<u>-</u>	<u>87,831</u>
EXPENDITURES									
Current:									
Leisure activities	-	6,534	-	6,534	-	-	-	-	-
Conservation and development	-	-	-	-	18,683	32,780	400,125	271,833	129,636
Debt service:									
Interest and other charges	-	-	-	-	651	1,657	-	-	-
Total Expenditures	<u>-</u>	<u>6,534</u>	<u>-</u>	<u>6,534</u>	<u>19,334</u>	<u>34,437</u>	<u>400,125</u>	<u>271,833</u>	<u>129,636</u>
Excess (deficiency) of revenues over expenditures	<u>2,417</u>	<u>(3,448)</u>	<u>9,515</u>	<u>8,484</u>	<u>80,128</u>	<u>44,328</u>	<u>(353,333)</u>	<u>(271,833)</u>	<u>(41,805)</u>
OTHER FINANCING SOURCES (USES)									
Proceeds from general obligation debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	27,893	295,508	-	-
Transfers out	-	-	(9,515)	(9,515)	-	(75,000)	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(9,515)</u>	<u>(9,515)</u>	<u>-</u>	<u>(47,107)</u>	<u>295,508</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,417	(3,448)	-	(1,031)	80,128	(2,779)	(57,825)	(271,833)	(41,805)
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	<u>139,956</u>	<u>55,017</u>	<u>-</u>	<u>194,973</u>	<u>819,599</u>	<u>(4,299)</u>	<u>(336,906)</u>	<u>(458,143)</u>	<u>(86,752)</u>
FUND BALANCES - END OF YEAR (DEFICIT)	<u>\$ 142,373</u>	<u>\$ 51,569</u>	<u>\$ -</u>	<u>\$ 193,942</u>	<u>\$ 899,727</u>	<u>\$ (7,078)</u>	<u>\$ (394,731)</u>	<u>\$ (729,976)</u>	<u>\$ (128,557)</u>

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended December 31, 2023

	Capital Projects Funds						Total	Total
	Tax	Tax	Tax	Tax	Tax	Tax	Total Capital	Nonmajor
	Incremental	Incremental	Incremental	Incremental	Incremental	Incremental	Projects	Governmental
	District #6	District #7	District #8	District #9	District #10	District #11	Funds	Funds
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,515
Charges for services	22,993	23,459	-	-	-	-	273,202	273,202
Investment income	-	-	-	-	1,395	-	87,495	92,998
Total Revenues	<u>22,993</u>	<u>23,459</u>	<u>-</u>	<u>-</u>	<u>1,395</u>	<u>-</u>	<u>360,697</u>	<u>375,715</u>
EXPENDITURES								
Current:								
Leisure activities	-	-	-	-	-	-	-	6,534
Conservation and development	865,961	26,249	181,269	1,070	1,070	1,070	1,929,746	1,929,746
Debt service:								
Interest and other charges	-	-	-	-	-	-	2,308	2,308
Total Expenditures	<u>865,961</u>	<u>26,249</u>	<u>181,269</u>	<u>1,070</u>	<u>1,070</u>	<u>1,070</u>	<u>1,932,054</u>	<u>1,938,588</u>
Excess (deficiency) of revenues over expenditures	<u>(842,968)</u>	<u>(2,790)</u>	<u>(181,269)</u>	<u>(1,070)</u>	<u>325</u>	<u>(1,070)</u>	<u>(1,571,357)</u>	<u>(1,562,873)</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from general obligation debt	497,319	-	-	-	-	-	497,319	497,319
Transfers in	670,997	-	171,585	-	-	-	1,165,983	1,165,983
Transfers out	-	-	-	-	-	-	(75,000)	(84,515)
Total other financing sources and uses	<u>1,168,316</u>	<u>-</u>	<u>171,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,588,302</u>	<u>1,578,787</u>
Net change in fund balance	325,348	(2,790)	(9,684)	(1,070)	325	(1,070)	16,945	15,914
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	<u>(148,326)</u>	<u>(19,442)</u>	<u>(232,720)</u>	<u>(19,089)</u>	<u>(8,078)</u>	<u>(19,071)</u>	<u>(513,227)</u>	<u>(318,254)</u>
FUND BALANCES - END OF YEAR (DEFICIT)	<u>\$ 177,022</u>	<u>\$ (22,232)</u>	<u>\$ (242,404)</u>	<u>\$ (20,159)</u>	<u>\$ (7,753)</u>	<u>\$ (20,141)</u>	<u>\$ (496,282)</u>	<u>\$ (302,340)</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
December 31, 2023**

	Governmental Debt Service Fund	Tax Increment District #1 Debt Service Fund	Tax Increment District #2 Debt Service Fund	Tax Increment District #3 Debt Service Fund	Tax Increment District #4 Debt Service Fund	Tax Increment District #5 Debt Service Fund	Tax Increment District #6 Debt Service Fund
ASSETS							
Cash and investments	\$ 85,385	\$ 2,183,992	\$ 1,912,259	\$ 43,732	\$ 1,413,375	\$ 9,517	\$ 27,885
Investments	-	932,001	610,069	-	-	-	-
Property taxes receivable	1,012,225	875,055	1,244,877	692,444	597,248	10,006	75,699
Restricted cash	-	141,407	230,268	-	-	-	-
Restricted investments	198,804	108,665	146,096	-	-	-	-
TOTAL ASSETS	<u>\$ 1,296,414</u>	<u>\$ 4,241,120</u>	<u>\$ 4,143,569</u>	<u>\$ 736,176</u>	<u>\$ 2,010,623</u>	<u>\$ 19,523</u>	<u>\$ 103,584</u>
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 4,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>4,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred property tax levy	1,012,225	875,055	1,244,877	692,444	597,248	10,006	75,699
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,012,225</u>	<u>875,055</u>	<u>1,244,877</u>	<u>692,444</u>	<u>597,248</u>	<u>10,006</u>	<u>75,699</u>
FUND BALANCES							
Restricted							
Debt service	279,939	3,366,065	2,898,692	43,732	1,413,375	9,517	27,885
Total fund balances	<u>279,939</u>	<u>3,366,065</u>	<u>2,898,692</u>	<u>43,732</u>	<u>1,413,375</u>	<u>9,517</u>	<u>27,885</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,296,414</u>	<u>\$ 4,241,120</u>	<u>\$ 4,143,569</u>	<u>\$ 736,176</u>	<u>\$ 2,010,623</u>	<u>\$ 19,523</u>	<u>\$ 103,584</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS (continued)
December 31, 2023**

	Tax Increment District #7 Debt Service Fund	Tax Increment District #8 Debt Service Fund	Tax Increment District #9 Debt Service Fund	Tax Increment District #10 Debt Service Fund	Tax Increment District #11 Debt Service Fund	Total Debt Service Funds
ASSETS						
Cash and investments	\$ 101,815	\$ 2,043	\$ 7,779	\$ 30,139	\$ 2,212	\$ 5,820,133
Investments	-	-	-	-	-	1,542,070
Property taxes receivable	45,114	1,165	4,810	24,802	971	4,584,416
Restricted cash	-	-	-	-	-	371,675
Restricted investments	-	-	-	-	-	453,565
TOTAL ASSETS	<u>\$ 146,929</u>	<u>\$ 3,208</u>	<u>\$ 12,589</u>	<u>\$ 54,941</u>	<u>\$ 3,183</u>	<u>\$ 12,771,859</u>
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,250
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,250</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred property tax levy	45,114	1,165	4,810	24,802	971	4,584,416
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>45,114</u>	<u>1,165</u>	<u>4,810</u>	<u>24,802</u>	<u>971</u>	<u>4,584,416</u>
FUND BALANCES						
Restricted						
Debt service	101,815	2,043	7,779	30,139	2,212	8,183,193
Total fund balances	<u>101,815</u>	<u>2,043</u>	<u>7,779</u>	<u>30,139</u>	<u>2,212</u>	<u>8,183,193</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 146,929</u>	<u>\$ 3,208</u>	<u>\$ 12,589</u>	<u>\$ 54,941</u>	<u>\$ 3,183</u>	<u>\$ 12,771,859</u>

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the Year Ended December 31, 2023

	Governmental Debt Service Fund	Tax Increment District #1 Debt Service Fund	Tax Increment District #2 Debt Service Fund	Tax Increment District #3 Debt Service Fund	Tax Increment District #4 Debt Service Fund	Tax Increment District #5 Debt Service Fund
REVENUES						
Taxes	\$ 1,132,498	\$ 909,045	\$ 1,238,192	\$ 25,282	\$ 626,177	\$ 6,060
Investment income	4,382	246,416	234,409	-	-	-
Total Revenues	<u>1,136,880</u>	<u>1,155,461</u>	<u>1,472,601</u>	<u>25,282</u>	<u>626,177</u>	<u>6,060</u>
EXPENDITURES						
Debt service:						
Principal	1,034,598	445,000	465,000	-	-	-
Interest and fiscal charges	102,921	226,497	245,946	4,972	-	-
Total Expenditures	<u>1,137,519</u>	<u>671,497</u>	<u>710,946</u>	<u>4,972</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(639)</u>	<u>483,964</u>	<u>761,655</u>	<u>20,310</u>	<u>626,177</u>	<u>6,060</u>
OTHER FINANCING SOURCES (USES)						
Premium on bonds	194,420	-	-	-	-	-
Transfers in	-	-	75,000	-	-	-
Transfers out	-	-	(27,893)	-	-	-
Total other financing sources and uses	<u>194,420</u>	<u>-</u>	<u>47,107</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	193,781	483,964	808,762	20,310	626,177	6,060
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	<u>86,158</u>	<u>2,882,101</u>	<u>2,089,930</u>	<u>23,422</u>	<u>787,198</u>	<u>3,457</u>
FUND BALANCES - END OF YEAR	<u>\$ 279,939</u>	<u>\$ 3,366,065</u>	<u>\$ 2,898,692</u>	<u>\$ 43,732</u>	<u>\$ 1,413,375</u>	<u>\$ 9,517</u>

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the Year Ended December 31, 2023

	Tax Increment District #6 Debt Service Fund	Tax Increment District #7 Debt Service Fund	Tax Increment District #8 Debt Service Fund	Tax Increment District #9 Debt Service Fund	Tax Increment District #10 Debt Service Fund	Tax Increment District #11 Debt Service Fund	Total Debt Service Funds
REVENUES							
Taxes	\$ 15,265	\$ 41,072	\$ 1,049	\$ 3,446	\$ 23,125	\$ 884	\$ 4,022,095
Investment income	-	-	-	-	-	-	485,207
Total Revenues	<u>15,265</u>	<u>41,072</u>	<u>1,049</u>	<u>3,446</u>	<u>23,125</u>	<u>884</u>	<u>4,507,302</u>
EXPENDITURES							
Debt service:							
Principal	-	-	-	-	-	-	1,944,598
Interest and fiscal charges	5,836	-	-	-	-	-	586,172
Total Expenditures	<u>5,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,530,770</u>
Excess (deficiency) of revenues over expenditures	<u>9,429</u>	<u>41,072</u>	<u>1,049</u>	<u>3,446</u>	<u>23,125</u>	<u>884</u>	<u>1,976,532</u>
OTHER FINANCING SOURCES (USES)							
Premium on bonds	-	-	-	-	-	-	194,420
Transfers in	-	-	-	-	-	-	75,000
Transfers out	-	-	-	-	-	-	(27,893)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,527</u>
Net change in fund balance	9,429	41,072	1,049	3,446	23,125	884	2,218,059
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	<u>18,456</u>	<u>60,743</u>	<u>994</u>	<u>4,333</u>	<u>7,014</u>	<u>1,328</u>	<u>5,965,134</u>
FUND BALANCES - END OF YEAR	<u>\$ 27,885</u>	<u>\$ 101,815</u>	<u>\$ 2,043</u>	<u>\$ 7,779</u>	<u>\$ 30,139</u>	<u>\$ 2,212</u>	<u>\$ 8,183,193</u>

See accompanying notes to the financial statements.