

**VILLAGE OF SOMERS
KENOSHA COUNTY, WISCONSIN**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2020**

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VILLAGE OF SOMERS

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INDEPENDENT AUDITOR'S REPORT

To the Village Board
Village of Somers
Kenosha County, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Somers, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Somers, Wisconsin, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 3 through 19 and the OPEB and pension schedules on pages 92 through 96 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 2019 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated August 21, 2020. In our opinion, the summarized comparative information for the government funds presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Andrea E. Orendorff LLP

Andrea & Orendorff LLP
Kenosha, Wisconsin
November 9, 2021

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

Our discussion and analysis of the Village of Somers's financial performance provides an overview of the Village's financial activities for the year ended December 31, 2020.

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 20.

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 new Bond Rating is a strong indicator of financial condition. The new rating exemplifies the Village's strong position. 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. The Village entered into a contract to expand services with the Kenosha County Sheriff's Department to 16 hours per day which began July 1, 2018.
- 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.
- Civic Committee includes the July 4th Parade & Santa's Open House.

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 Fund and Tax Incremental Districts #1-11. All other governmental activities including park improvement, and drainage are included in the 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)**

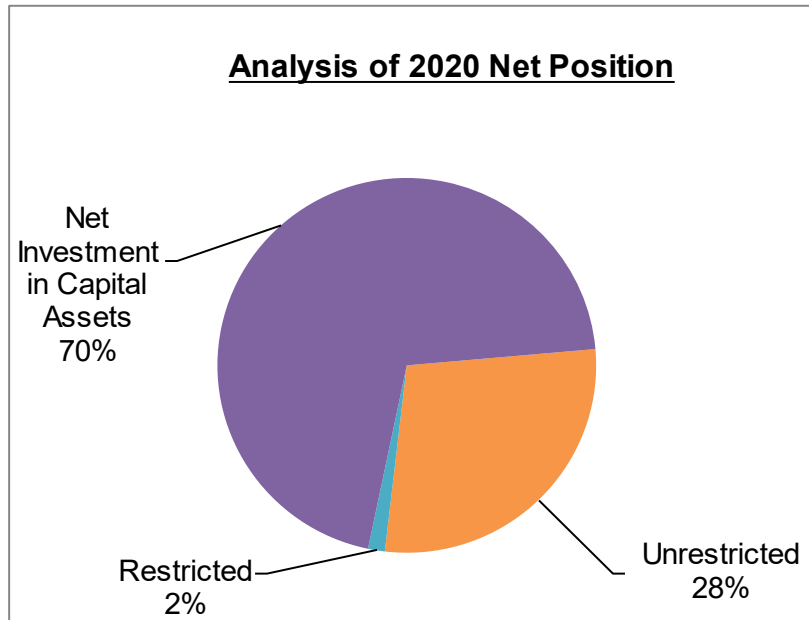
The Village as a Whole

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 2019. Net position may serve over time as a useful indicator of a government's financial position. In 2020, the Village's assets exceeded liabilities by \$33,550,965 as compared to having assets in excess of liabilities of \$28,656,926 in 2019.

The largest portion of the Village's 2020 net position (70 percent) (2019 was 59%) 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. 28 percent (41% for 2019) is in the category of unrestricted net assets which may be used to meet the Village's ongoing obligations to citizens and creditors.

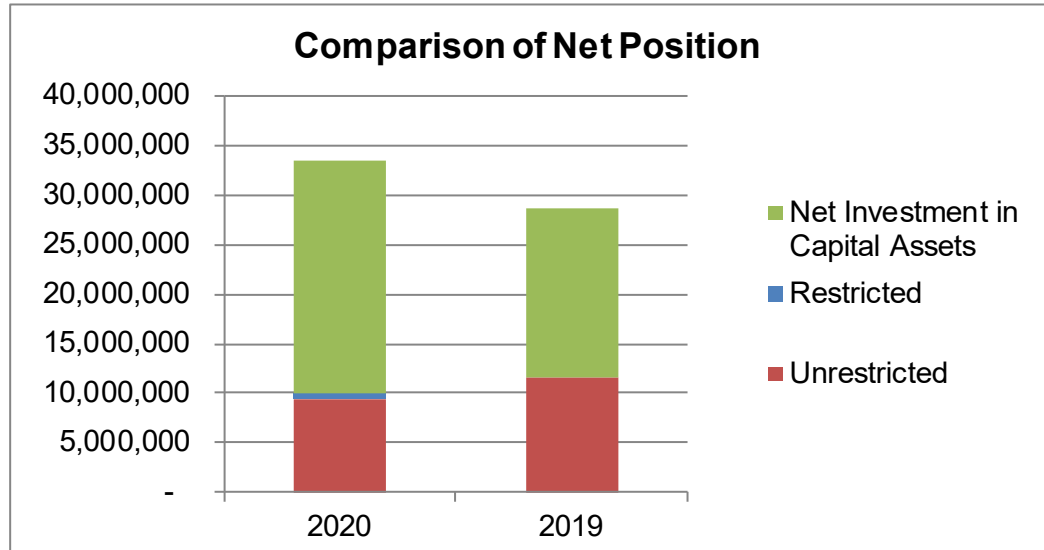
In 2020, the other 2% reflected the non-expendable use as it relates to the net pension asset as a result of GASB 68. For 2019, Village did not have net pension assets, it was a net pension liability.



**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, 2020**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 14,612,134	\$ 13,801,689	\$ 8,970,406	\$ 9,706,501	\$ 23,582,540	\$ 23,508,190
Capital assets	16,216,840	15,151,105	37,546,345	34,532,921	53,763,185	49,684,026
Total Assets	30,828,974	28,952,794	46,516,751	44,239,422	77,345,725	73,192,216
Deferred outflow s of resources	1,301,471	1,917,847	178,215	243,354	1,479,686	2,161,201
Long-term liabilities outstanding	18,595,788	18,778,534	10,949,078	12,310,338	29,544,866	31,088,872
Other liabilities	4,212,665	4,527,301	2,072,083	1,936,497	6,284,748	6,463,798
Total liabilities	22,808,453	23,305,835	13,021,161	14,246,835	35,829,614	37,552,670
Deferred inflow s of resources	8,938,035	8,672,709	506,797	471,112	9,444,832	9,143,821
Net position:						
Net investment in capital assets	963,511	(1,474,588)	22,630,731	18,446,171	23,594,242	16,971,583
Restricted	428,732	-	52,315	-	481,047	-
Unrestricted	(1,008,286)	366,685	10,483,962	11,318,658	9,475,676	11,685,343
Total Net Position	\$ 383,957	\$ (1,107,903)	\$ 33,167,008	\$ 29,764,829	\$ 33,550,965	\$ 28,656,926

**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, 2020**

	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 1,023,671	\$ 1,106,160	\$ 4,040,667	\$ 4,010,387	\$ 5,064,338	\$ 5,116,547
Operating grants and contributions	346,392	1,202,614	5,874	-	352,266	1,202,614
General revenues:						
Property taxes	3,462,634	3,243,561	303,034	303,050	3,765,668	3,546,611
Other taxes	3,159,597	3,147,045	-	-	3,159,597	3,147,045
Grants and contributions not restricted to specific programs	516,440	357,012	-	-	516,440	357,012
Other revenues	535,227	663,378	258,037	227,326	793,264	890,704
Total revenues	<u>9,043,961</u>	<u>9,719,770</u>	<u>4,607,612</u>	<u>4,540,763</u>	<u>13,651,573</u>	<u>14,260,533</u>
Expenses:						
General government	1,284,591	1,333,295	-	-	1,284,591	1,333,295
Public safety	2,625,818	2,643,742	-	-	2,625,818	2,643,742
Public works	1,057,189	992,354	-	-	1,057,189	992,354
Solid waste collection	672,932	623,920	-	-	672,932	623,920
Leisure activities	61,850	41,897	-	-	61,850	41,897
Conservation and development	1,029,870	2,209,593	-	-	1,029,870	2,209,593
Interest on long-term debt	692,105	668,037	-	-	692,105	668,037
Sewer	-	-	2,065,359	2,115,953	2,065,359	2,115,953
Water	-	-	1,014,450	1,076,897	1,014,450	1,076,897
Total expenses	<u>7,424,355</u>	<u>8,512,838</u>	<u>3,079,809</u>	<u>3,192,850</u>	<u>10,504,164</u>	<u>11,705,688</u>
Excess (deficiency) of revenues over expenditures	1,619,606	1,206,932	1,527,803	1,347,913	3,147,409	2,554,845
Contributions and transfers	<u>(127,746)</u>	<u>(424,459)</u>	<u>1,874,376</u>	<u>424,459</u>	<u>1,746,630</u>	<u>-</u>
Increase (decrease) in net position	1,491,860	782,473	3,402,179	1,772,372	4,894,039	2,554,845
Net position - beginning of year	<u>(1,107,903)</u>	<u>(1,890,376)</u>	<u>29,764,829</u>	<u>27,992,457</u>	<u>28,656,926</u>	<u>26,102,081</u>
Net position - end of year	<u>\$ 383,957</u>	<u>\$ (1,107,903)</u>	<u>\$ 33,167,008</u>	<u>\$ 29,764,829</u>	<u>\$ 33,550,965</u>	<u>\$ 28,656,926</u>

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

The Village as a Whole (continued)

Government-Wide Financial Analysis (Continued)

Revenues:

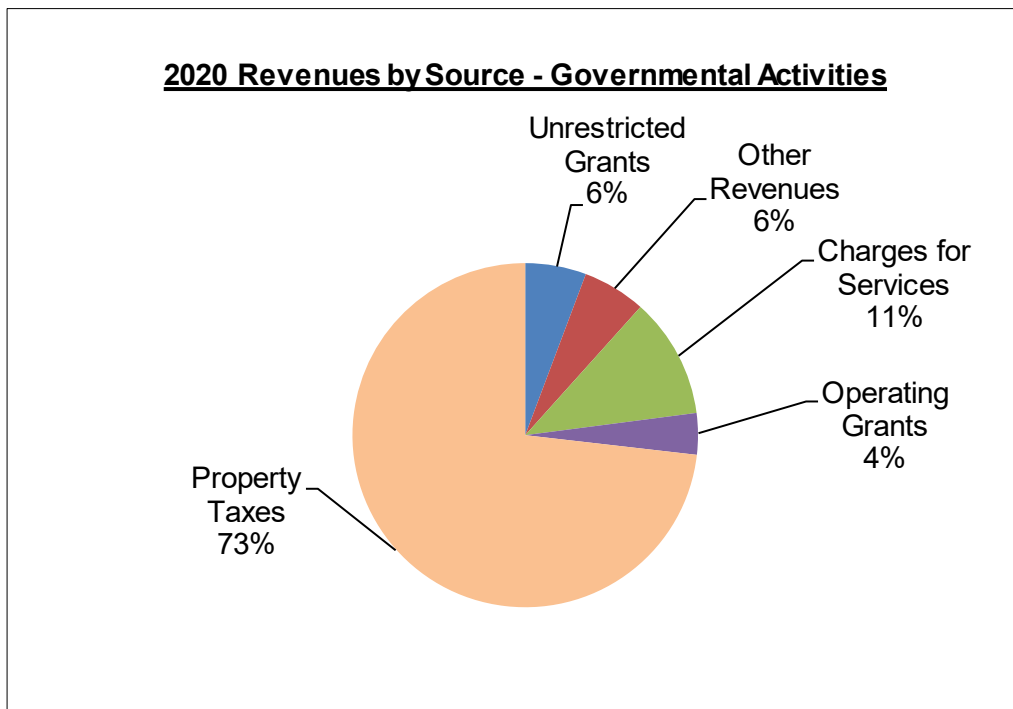
Total revenues for the Village increased by \$608,960 due to significant developer donations in connection with TID development.

Expenditures:

Expenditures decreased by \$1,201,524 for the Village. This is due to the current year TID projects being much larger in 2019 than in 2020.

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES

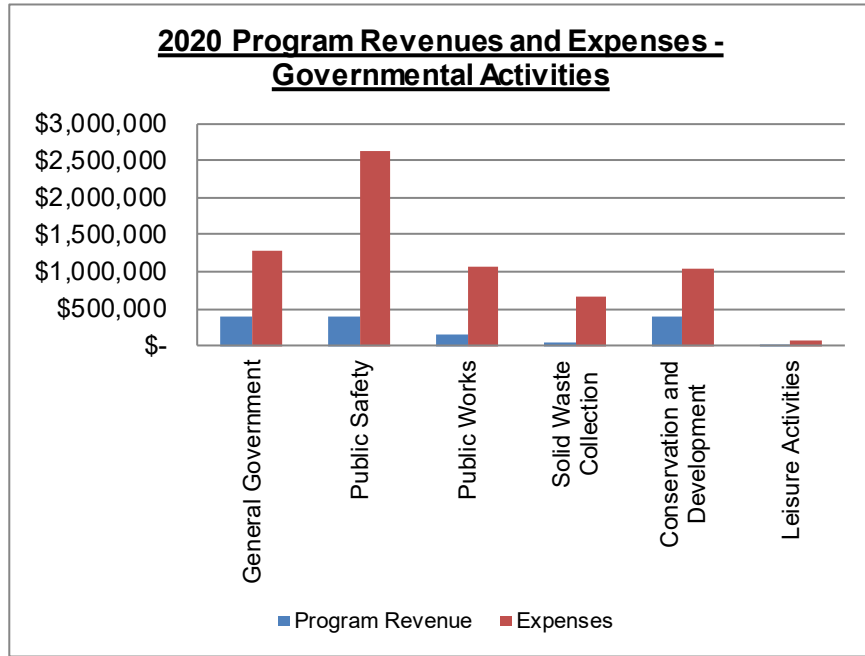
This chart illustrates the percent of revenue sources that fund the Village's governmental activities.



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

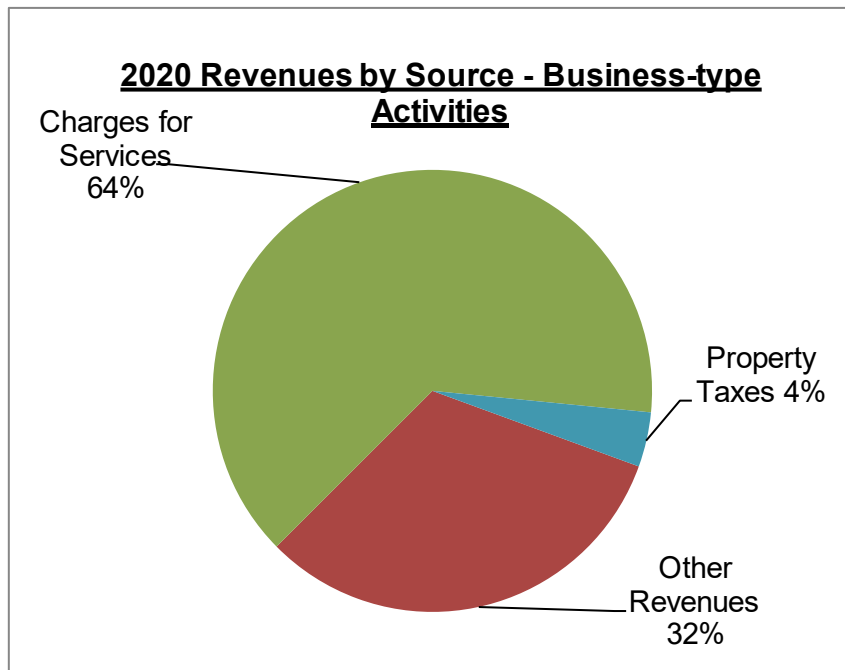
REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES (continued)

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



REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES

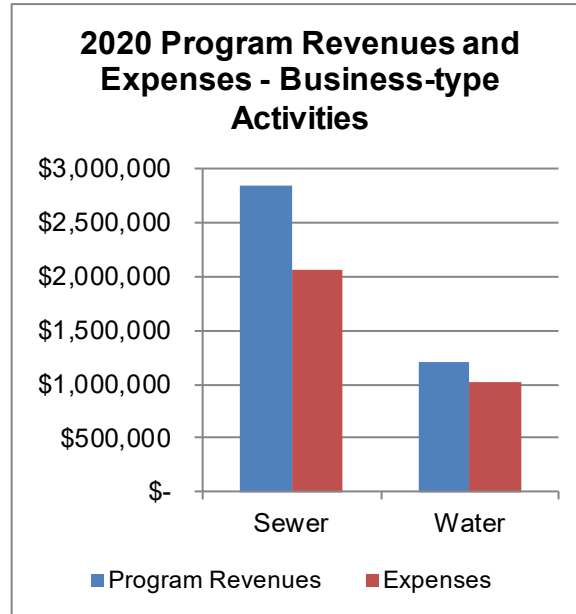
This chart illustrates the percent of revenue sources that fund the Village's business-type activities.



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

General Fund

The General Fund closed out in 2020 with a decrease of \$375,074. This happened because Village made \$1 million of transfers to other funds to eliminate fund balance deficits. The Unrestricted General Fund balance of \$3.0 million is 62% 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>2018</u>	<u>2019</u>	<u>2020</u>
General fund	<u>\$ 2,941,594</u>	<u>\$ 3,401,475</u>	<u>\$ 3,026,402</u>

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

The Village's Funds (continued)

Parks and Drainage Funds

The Parks and Drainage funds are long standing funds to be used for park and drainage improvement projects. 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.

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. Both of the Tax Incremental District's debt is included in the Debt Service. The fund balance closed out the year with \$3,003,750 compared to \$2,143,641 in 2019.

Tax Incremental Districts:

Tax Incremental District #1

This District has a fund balance of \$16,229. This is due to developer incentives, administrative & engineering costs exceeding initial estimates. A transfer was made to bring the fund balance to a positive amount. TIF District deficits are anticipated to be funded with future incremental taxes levied over the life of the district.

Tax Incremental District #2

The Village financed projects for TID #2. The fund balance is \$1,210. 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.

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.

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

The Village's Funds (continued)

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.

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.

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.

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.

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.

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.

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.

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

The Village's Funds (continued)

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 2020 with an increase in net position of \$1,390,640. 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. In 2019, the Village completed the Pre-Application Process for a Safe Drinking Water Fund Loan by completing a Notice of Intent to Apply. The estimated \$5.5 Million loan will be used for the replacement of water mains in the Sheridan Road Corridor.

Sewer Utility District #1 Fund

Overall, the Sewer Utility District #1 closed out the year with an increase in net position of \$1,629,453. Total net operating income for the Sewer Utility District #1 in 2020 was \$803,973. This fund has an unrestricted net position at year end 2020 of \$20.6 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 2019, 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 2019, the Village completed the Pre-Application Process for a Clean Water Fund Loan by completing a Notice of Intent to Apply. In 2020, the Village obtained the loan in the amount of \$5 Million dollars 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.

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 2020, the Utility experienced an operating loss of \$12,767.

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.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village General Fund has fund balance of \$3,026,402 which is a \$375,073 decrease from 2019. This is a result of the Village transferring money to the Capital Projects Fund to eliminate that Fund's deficit.

Management has calculated the net pension expense and liability as required by the Governmental Accounting Standards Board (GASB) Statement No. 68 – *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, 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 72 and Note V B. on page 78 for further information on this calculation.

The summary below details major items that affected the General Fund's balance for 2020.

<u>2020 General Fund Year-End Forecast (Unaudited)</u>		
2019 Total General Fund Balance		3,401,475.00
<u>Items causing increase to the General Fund</u>		
TAXES	11,643.18	
INTERGOVERNMENTAL	228,036.55	
LICENSES & PERMITS	33,074.78	
PUBLIC CHARGES FOR SERVICES	5,583.77	
MISCELLANEOUS REVENUES + SPECIAL ASSESSMENTS	346095.6	
General Government	87663.71	
Public Works	33909.8	
Leisure/Recreation	9606.56	
Planning and Development	24753.75	
Total Increase to General Fund		780,367.70
<u>Items causing decrease to the General Fund</u>		
FINES & FORFEITURES	-3825.69	
INVESTMENT INCOME	-9726.02	
FINANCING SOURCES	-28785	
Public Safety	-92552.74	
Solid Waste	-7603.19	
Transfer out	-1012948.32	
Total Decreases to General Fund		(1,155,440.96)
	2020 Net change in fund balance	(375,073.26)
2020 Year-End General Fund balance		3,026,402
2020 Year-End Unassigned General Fund Balance		2,988,331
Village Board minimum requirement of 17% of General Fund Expenditures		1,005,725
Targeted reserve of 30% of General Fun Expenditures		1774809.3
Targeted reserve of 32% of General Fun Expenditures		1893129.92
Amount over 17% Minimum		1,982,606
Amount over 30% Target		1,213,522
Amount over 32% with Reserves		1,095,201
2020 Year-End Unassigned General Fund balance		2,988,331
Reserves as a Percentage of General Fund Expenses		55%

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of December 2020, the Village had \$53,763,185 invested in capital assets including buildings, parks, vehicles, equipment, and infrastructure. See Note IV C. on page 56 for more detail on capital assets. A summary report of capital assets is as follows:

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Intangible Assets	\$ 38,732	\$ 38,732	\$ 60,393	\$ 60,393	\$ 99,125	\$ 99,125
Construction in Progress	-	-	2,163,813	360,182	2,163,813	360,182
Land	1,032,477	216,294	-	-	1,032,477	216,294
Land Improvements	4,852,337	4,603,792	-	-	4,852,337	4,603,792
Utility Plant in Service	-	-	44,908,336	42,948,344	44,908,336	42,948,344
Buildings	6,037,765	6,025,568	-	-	6,037,765	6,025,568
Machinery & Equipment	5,860,622	5,570,324	2,799,890	2,640,811	8,660,512	8,211,135
Infrastructure	12,713,310	12,779,384	-	-	12,713,310	12,779,384
Total Capital Assets	30,535,243	29,234,094	49,932,432	46,009,730	80,467,675	75,243,824
Less: Accumulated Depreciation	(14,318,403)	(14,082,989)	(12,386,087)	(11,476,809)	(26,704,490)	(25,559,798)
Total Net Capital Assets	\$ 16,216,840	\$ 15,151,105	\$ 37,546,345	\$ 34,532,921	\$ 53,763,185	\$ 49,684,026

Debt

At the end of the year, the Village's outstanding general obligation (GO) debt and Revenue Bonds totaled \$30,201,694. See Note IV E. on page 60 for more detail on debt.

Debt Outstanding 12/31/19	\$ 32,372,069
Debt Issued	1,660,000
Principal Retired	<u>(3,830,375)</u>
Debt Outstanding 12/31/20	<u>\$ 30,201,694</u>

Breakdown of Outstanding Debt:

Revenue Bonds	\$ 9,015,000
Promissory Notes	534,081
Capital Leases	50,389
State Trust Fund Loans	2,917,224
Tax Increment Project Revenue Bond	425,000
General Obligation Debt	<u>17,260,000</u>
Debt Outstanding 12/31/20	<u>\$ 30,201,694</u>

**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. Notably, Somers is near the site of the Foxconn campus that is under construction in adjacent Mount Pleasant, and is likely poised to see significant economic growth as the Foxconn campus is built out over the next five years.

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. A second building is currently 100% occupied. First Park 94 has taken first steps for a possible third building by submitting a certified survey map.

TIF District #2 encompasses a Festival Foods grocery store, Somers Market Square Apartments & multiple multi-tenant lots in the subdivision which have attracted new construction in 2018. The Festival Foods grocery store was opened in July, 2016. Somers Market Square Apartments was completed. Phase 1 includes 280 units and was completed in 2017 with 90% occupancy. Phase 2 was started in 2018 that would add an additional 50 units. These units received occupancy permits in 2019.

Commercial Development expanded in TIF District #2 with the construction of a multi-tenant building anchored by Starbucks and includes a Shopko Optical and US Nail Bar. Oakfire Restaurant, a 9700 square foot completed in 2020 was the construction of a Jiffy Lube automobile service station. The Village is working with developers from throughout the country on new development. With strong interest in development, the Village Board established nine (9) new TIF districts.

Commercial Development continues in TIF District #4 with the construction of the Hawthorn Apartments complex. Building permits were issued for 241 units of market rate apartments. Construction also began on the 13,000 square foot WVRC Emergency Vet Clinic. Both developments were completed in 2021.

Developments were approved in TIF District #6. The Village also entered into a development agreement with Tawani Enterprises Inc to bring the Pritzker Military Museum & Library Archival 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. Building permits were issued in 2020. The project will include bring an estimated \$14.5 Million dollars of sewer and water to the Village. This infrastructure will open up over 1,000 acres for potential future development.

General Development in the Village continued with the approval of Bear Development's Carthage View project. This included occupancy of 80 units of senior living and 16 townhomes. Also, occupancy was granted to Utopia Nails and Spa. Golden Oil began construction of a service station & two-story office building. Also, the Village approved the construction of Lakes of Somers and Somersville. Both of these projects are for the construction of multiple family residential housing.

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

ECONOMIC FACTORS AND DEVELOPMENT PROJECT UPDATES (CONTINUED)

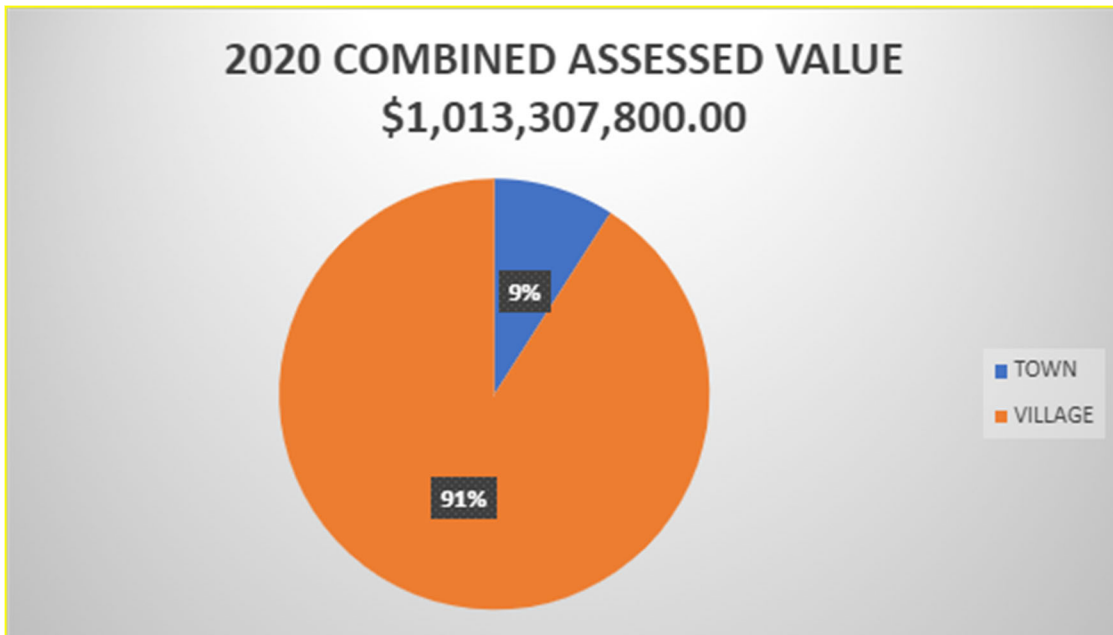
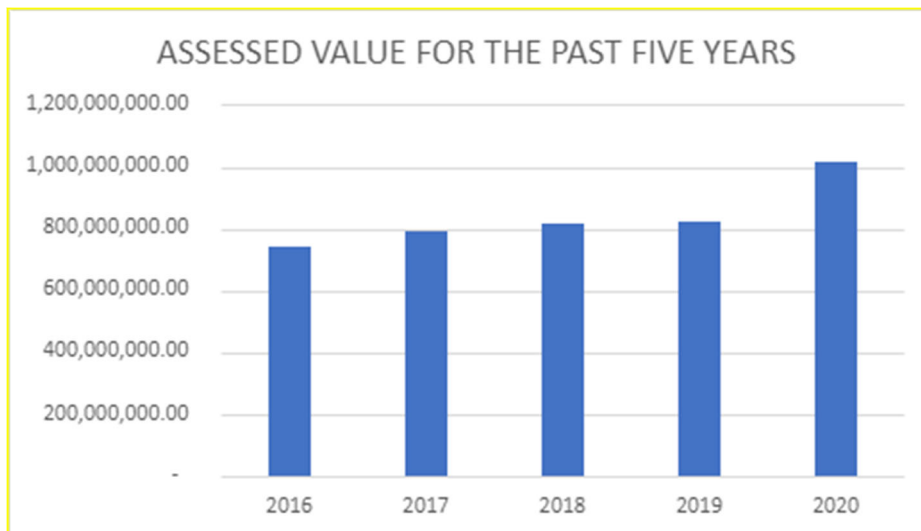
The Paris Intergovernmental Agreement, finalized in 2017, is a historic agreement between the Village of Somers, City of Kenosha & Town of Paris. The agreement opened 2,000 acres of land for development which is estimated at a potential improved value of \$2 billion.

RATING CHANGE

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)**

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, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,658,790	\$ 7,867,135	\$ 16,525,925
Receivables	4,137,414	492,388	4,629,802
Prepaid expenses	3,513	1,299	4,812
Restricted assets			
Cash and cash equivalents	670,205	225,567	895,772
Internal balances	(83,085)	83,085	-
Deferred special assessments - noncurrent	796,565	248,617	1,045,182
Net pension asset	428,732	52,315	481,047
Capital assets			
Land and construction in progress	1,032,477	2,163,812	3,196,289
Other capital assets, net of depreciation	15,184,363	35,382,533	50,566,896
Total capital assets	<u>16,216,840</u>	<u>37,546,345</u>	<u>53,763,185</u>
 Total assets	 <u>30,828,974</u>	 <u>46,516,751</u>	 <u>77,345,725</u>
DEFERRED OUTFLOW OF RESOURCES			
Related to pension	1,030,614	125,217	1,155,831
Related to post-employment benefits	270,857	52,998	323,855
Total deferred outflows of resources	<u>1,301,471</u>	<u>178,215</u>	<u>1,479,686</u>
LIABILITIES			
Accounts payable and accrued expenses	712,690	656,012	1,368,702
Due to other governments	7,386	-	7,386
Deposits & trust accounts	156,308	-	156,308
Accrued interest	117,552	109,151	226,703
Long-term liabilities			
Other post-employment benefits	1,494,994	278,098	1,773,092
Debt due within one year	1,841,287	1,306,920	3,148,207
Debt due in more than one year	18,478,236	10,670,980	29,149,216
Total liabilities	<u>22,808,453</u>	<u>13,021,161</u>	<u>35,829,614</u>
DEFERRED INFLOWS OF RESOURCES			
Related to property tax levy	7,371,943	303,707	7,675,650
Related to pension	1,402,663	171,156	1,573,819
Related to post-employment benefits	163,429	31,934	195,363
Total deferred inflows of resources	<u>8,938,035</u>	<u>506,797</u>	<u>9,444,832</u>
NET POSITION			
Net investment in capital assets	963,511	22,630,731	23,594,242
Restricted	428,732	52,315	481,047
Unassigned (deficit)	(1,008,286)	10,483,962	9,475,676
Total net position	<u>\$ 383,957</u>	<u>\$ 33,167,008</u>	<u>\$ 33,550,965</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020**

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	\$ 1,284,591	\$ 381,027	\$ -	\$ -	\$ (903,564)	\$ -	\$ (903,564)
Public safety	2,625,818	368,919	38,204	-	(2,218,695)	-	(2,218,695)
Public works	1,057,189	29,949	122,800	-	(904,440)	-	(904,440)
Solid waste collection	672,932	370	35,596	-	(636,966)	-	(636,966)
Leisure activities	61,850	8,700	-	-	(53,150)	-	(53,150)
Conservation and development	1,029,870	234,706	149,792	-	(645,372)	-	(645,372)
Interest on long-term debt	692,105	-	-	-	(692,105)	-	(692,105)
Total governmental activities	<u>7,424,355</u>	<u>1,023,671</u>	<u>346,392</u>	<u>-</u>	<u>(6,054,292)</u>	<u>-</u>	<u>(6,054,292)</u>
Business-type activities							
Sewer	2,065,359	2,843,907	4,240	-	-	782,788	782,788
Water	1,014,450	1,196,760	1,634	-	-	183,944	183,944
Total business-type activities	<u>3,079,809</u>	<u>4,040,667</u>	<u>5,874</u>	<u>-</u>	<u>-</u>	<u>966,732</u>	<u>966,732</u>
Total primary government	<u>\$ 10,504,164</u>	<u>\$ 5,064,338</u>	<u>\$ 352,266</u>	<u>\$ -</u>	<u>(6,054,292)</u>	<u>966,732</u>	<u>(5,087,560)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					3,462,634	303,034	3,765,668
Property taxes, levied for debt service					3,159,597	-	3,159,597
Grants and contributions not restricted to specific programs					516,440	-	516,440
Unrestricted investment earnings					111,829	8,920	120,749
Miscellaneous					423,398	249,117	672,515
Total general revenues					<u>7,673,898</u>	<u>561,071</u>	<u>8,234,969</u>
Contributions & transfers:							
Capital contributions					-	1,746,630	1,746,630
Transfers					(127,746)	127,746	-
Total contributions & transfers					<u>(127,746)</u>	<u>1,874,376</u>	<u>1,746,630</u>
Change in net position					1,491,860	3,402,179	4,894,039
Net position - January 1					(1,107,903)	29,764,829	28,656,926
Total net position at end of year					<u>\$ 383,957</u>	<u>\$ 33,167,008</u>	<u>\$ 33,550,965</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020**

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds	2019 Total Governmental Funds
ASSETS					
Cash and Investments	\$ 5,661,394	\$ 2,436,394	\$ 561,002	\$ 8,658,790	\$ 7,274,777
Receivables					
Property taxes	3,797,193	3,057,742	26,726	6,881,661	8,166,918
Ambulance fees	173,701	-	-	173,701	170,701
Miscellaneous	77,783	-	88,737	166,520	165,468
Due from other funds	914,766	-	-	914,766	694,951
Prepaid expenses	3,513	-	-	3,513	3,411
Restricted cash	22,601	567,354	80,250	670,205	669,699
Deferred special assessments	-	-	796,565	796,565	825,856
TOTAL ASSETS	<u>\$ 10,650,951</u>	<u>\$ 6,061,490</u>	<u>\$ 1,553,280</u>	<u>\$ 18,265,721</u>	<u>\$ 17,971,781</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 176,542	\$ -	\$ 403,653	\$ 580,195	\$ 1,304,155
Accrued compensation	132,497	-	-	132,497	113,100
Developer deposits	-	-	105,000	105,000	105,000
Due to other governments	7,386	-	-	7,386	13,602
Special deposits & trust accounts	51,308	-	-	51,308	27,490
Due to other funds	3,805,569	-	276,750	4,082,319	4,170,092
TOTAL LIABILITIES	<u>4,173,302</u>	<u>-</u>	<u>785,403</u>	<u>4,958,705</u>	<u>5,733,439</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax levy	3,451,247	3,057,740	-	6,508,987	6,558,370
Special assessments	-	-	788,576	788,576	815,746
Other deferred revenue	-	-	74,380	74,380	28,522
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,451,247</u>	<u>3,057,740</u>	<u>862,956</u>	<u>7,371,943</u>	<u>7,402,638</u>
FUND BALANCES					
<i>Nonspendable</i>					
Prepaid items	3,513	-	-	3,513	3,411
<i>Restricted</i>					
Tax incremental districts	-	-	17,439	17,439	1,257
Drainage fund	-	-	139,188	139,188	138,960
Park fund	-	-	52,456	52,456	64,722
Debt service	-	3,003,750	-	3,003,750	2,143,641
<i>Assigned</i>					
Fourth of July Parade	4,773	-	-	4,773	3,223
Subsequent year expenditures	29,785	-	-	29,785	29,785
<i>Unassigned</i>	2,988,331	-	(304,162)	2,684,169	2,450,705
TOTAL FUND BALANCES	<u>3,026,402</u>	<u>3,003,750</u>	<u>(95,079)</u>	<u>5,935,073</u>	<u>4,835,704</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 10,650,951</u>	<u>\$ 6,061,490</u>	<u>\$ 1,553,280</u>	<u>\$ 18,265,721</u>	<u>\$ 17,971,781</u>

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, 2020**

Fund balance - total governmental funds	\$	5,935,073
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		16,216,840
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Net pension asset		428,732
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		1,030,614
Deferred inflows related to pensions		(1,402,663)
Deferred outflows related to other postemployment benefits		270,857
Deferred inflows related to other postemployment benefits		(163,429)
		(264,621)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable		(19,736,771)
Premium on debt		(230,616)
Compensated absences		(352,134)
Other postemployment benefit		(1,494,994)
Accrued interest on long-term obligations		(117,552)
		(21,932,067)
Net position	\$	383,957

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, 2020

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds	2019 Total Governmental Funds
REVENUES					
Taxes	\$ 3,462,634	\$ 3,159,597	\$ -	\$ 6,622,231	\$ 6,390,606
Intergovernmental revenues	826,043	-	36,790	862,833	1,559,626
Charges for services	428,984	-	232,758	661,742	640,143
Licenses and permits	317,655	-	-	317,655	413,668
Fees and fines	44,274	-	-	44,274	52,349
Investment income	65,274	37,498	9,057	111,829	370,740
Miscellaneous income	396,094	-	141,967	538,061	263,747
Total Revenues	<u>5,540,958</u>	<u>3,197,095</u>	<u>420,572</u>	<u>9,158,625</u>	<u>9,690,879</u>
EXPENDITURES					
Current:					
General government	1,181,007	-	-	1,181,007	1,220,301
Public safety	2,404,999	-	-	2,404,999	2,256,156
Public works	540,822	-	-	540,822	530,913
Solid waste collection	661,164	-	-	661,164	621,981
Leisure activities	17,058	-	44,533	61,591	22,232
Conservation and development	98,033	-	1,698,766	1,796,799	2,208,995
Capital outlay	-	-	1,225,588	1,225,588	1,574,732
Debt service:					
Principal retirement	-	1,673,652	-	1,673,652	1,521,809
Interest and other charges	-	634,020	49,925	683,945	676,868
Total Expenditures	<u>4,903,083</u>	<u>2,307,672</u>	<u>3,018,812</u>	<u>10,229,567</u>	<u>10,633,987</u>
Excess (deficiency) of revenues over expenditures	637,875	889,423	(2,598,240)	(1,070,942)	(943,108)
OTHER FINANCING SOURCES (USES)					
Proceeds from long-term debt	-	-	2,153,035	2,153,035	875,000
Refunding debt issued	-	815,000	-	815,000	-
Payment to current noteholder	-	(879,579)	-	(879,579)	-
Premium on issuance of debt	-	76,658	5,197	81,855	-
Transfers from other funds	-	-	1,054,341	1,054,341	1,000,134
Transfers to other funds	(1,012,948)	(41,393)	-	(1,054,341)	(1,424,593)
Total Other Financing Sources (Uses)	<u>(1,012,948)</u>	<u>(29,314)</u>	<u>3,212,573</u>	<u>2,170,311</u>	<u>450,541</u>
Net change in fund balance	(375,073)	860,109	614,333	1,099,369	(492,567)
FUND BALANCES - Beginning of Year	3,401,475	2,143,641	(709,412)	4,835,704	5,328,271
FUND BALANCES - END OF YEAR	<u>\$ 3,026,402</u>	<u>\$ 3,003,750</u>	<u>\$ (95,079)</u>	<u>\$ 5,935,073</u>	<u>\$ 4,835,704</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, 2020**

Net change in fund balances - total governmental funds \$ 1,099,369

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	1,730,460
Depreciation expense reported in the statement of activities	(664,725)
	1,065,735

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	(3,082,695)
Premium on debt issued	28,888
Principal repaid	2,553,231
	(500,576)

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.

Accrued interest on long-term debt	(8,160)
Compensated absences	(45,518)
Deferred outflows of resources related to pensions	92,826
Other postemployment benefits	(211,816)
	(172,668)

Change in net assets of governmental activities \$ 1,491,860

VILLAGE OF SOMERS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2020

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 3,450,991	\$ 3,450,991	\$ 3,462,634	\$ 11,643
Intergovernmental revenues	598,006	598,006	826,043	228,037
Charges for services	423,400	423,400	428,984	5,584
Licenses and permits	284,580	284,580	317,655	33,075
Fees and fines	48,100	48,100	44,274	(3,826)
Investment income	75,000	75,000	65,274	(9,726)
Miscellaneous income	50,000	50,000	396,094	346,094
Total revenues	<u>4,930,077</u>	<u>4,930,077</u>	<u>5,540,958</u>	<u>610,881</u>
Expenditures				
Current:				
General government	1,403,390	1,268,671	1,181,007	87,664
Public safety	2,312,446	2,312,446	2,404,999	(92,553)
Public works	574,732	574,732	540,822	33,910
Solid waste collection	653,561	653,561	661,164	(7,603)
Culture and recreation	14,733	26,665	17,058	9,607
Planning and development	-	122,787	98,033	24,754
Total expenditures	<u>4,958,862</u>	<u>4,958,862</u>	<u>4,903,083</u>	<u>55,779</u>
OTHER FINANCING SOURCES (USES)				
Contingency	28,785	28,785	-	-
Transfers out	-	(1,012,948)	(1,012,948)	-
Total other financing sources and uses	<u>28,785</u>	<u>(984,163)</u>	<u>(1,012,948)</u>	<u>-</u>
Net change in fund balance	-	(1,012,948)	(375,073)	637,875
Fund balance - beginning of year	<u>3,401,475</u>	<u>3,401,475</u>	<u>3,401,475</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,401,475</u>	<u>\$ 2,388,527</u>	<u>\$ 3,026,402</u>	<u>\$ 637,875</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020**

	Business-Type Activities				Total
	KR Utility District	Utility District #1	Somers Water	Storm Water Utility (Non-major)	
ASSETS					
Current assets					
Cash and investments	\$ 410,739	\$ 6,991,163	\$ -	\$ 465,233	\$ 7,867,135
Accounts receivable	14,333	238,217	130,290	281,572	664,412
Tax levy receivable	-	303,707	-	-	303,707
Other receivables	6,174	122,705	116,490	-	245,369
Due from other funds	29,044	-	-	-	29,044
Prepaid expenses	96	722	481	-	1,299
Restricted cash	-	138,881	86,686	-	225,567
Total current assets	<u>460,386</u>	<u>7,795,395</u>	<u>333,947</u>	<u>746,805</u>	<u>9,336,533</u>
Noncurrent assets					
Due from other funds - noncurrent	353,052	-	-	-	353,052
Utility plant in service	1,390,820	26,415,335	17,102,181	-	44,908,336
Machinery and equipment	-	2,300,415	499,475	-	2,799,890
Construction in progress	168,863	1,690,930	284,222	19,798	2,163,813
Intangible assets	-	37,027	23,366	-	60,393
Accumulated depreciation	(819,880)	(8,174,518)	(3,391,689)	-	(12,386,087)
Non-Capital Assets:					
Deferred special assessments	30,984	147,927	69,706	-	248,617
Net pension asset	5,456	27,516	19,343	-	52,315
Total noncurrent assets	<u>1,129,295</u>	<u>22,444,632</u>	<u>14,606,604</u>	<u>19,798</u>	<u>38,200,329</u>
Total Assets	<u>1,589,681</u>	<u>30,240,027</u>	<u>14,940,551</u>	<u>766,603</u>	<u>47,536,862</u>
DEFERRED OUTFLOW OF RESOURCES					
Deferred outflows - pension contribution	2,047	10,505	7,087	-	19,639
Deferred outflows - pension	11,011	55,531	39,036	-	105,578
Deferred outflows - post-employment benefits	4,982	28,071	19,945	-	52,998
Total deferred outflows of resources	<u>18,040</u>	<u>94,107</u>	<u>66,068</u>	<u>-</u>	<u>178,215</u>
Total Assets and Deferred Outflows of Resources	<u>1,607,721</u>	<u>30,334,134</u>	<u>15,006,619</u>	<u>766,603</u>	<u>47,715,077</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020**

	Business-Type Activities				Total
	KR Utility District	Utility District #1	Somers Water	Storm Water Utility (Non-major)	
LIABILITIES					
Current liabilities					
Accounts payable	\$ 41,141	\$ 221,657	\$ 58,919	\$ 1,120	\$ 322,837
Wages payable	1,854	10,187	6,532	-	18,573
Due to other funds - current	-	-	667,059	-	667,059
Accrued interest	-	91,094	18,057	-	109,151
Other liabilities	-	-	33,030	281,572	314,602
Current portion of long-term debt payable	610	882,580	423,730	-	1,306,920
Total current liabilities	<u>43,605</u>	<u>1,205,518</u>	<u>1,207,327</u>	<u>282,692</u>	<u>2,739,142</u>
Noncurrent liabilities					
Due to other funds - noncurrent	-	-	353,052	-	353,052
Other post-employment benefits	35,664	137,116	105,318	-	278,098
Capital lease obligation	-	50,389	-	-	50,389
General obligation debt payable	2,944	7,405,855	3,211,792	-	10,620,591
Total noncurrent liabilities	<u>38,608</u>	<u>7,593,360</u>	<u>3,670,162</u>	<u>-</u>	<u>11,302,130</u>
Total Liabilities	<u>82,213</u>	<u>8,798,878</u>	<u>4,877,489</u>	<u>282,692</u>	<u>14,041,272</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred tax levy	-	303,707	-	-	303,707
Deferred inflows - pension	17,851	90,023	63,282	-	171,156
Deferred inflows - post-employment benefits	3,006	16,906	12,022	-	31,934
Total deferred inflows of resources	<u>20,857</u>	<u>410,636</u>	<u>75,304</u>	<u>-</u>	<u>506,797</u>
Total liabilities and deferred inflows of resources	<u>103,070</u>	<u>9,209,514</u>	<u>4,952,793</u>	<u>282,692</u>	<u>14,548,069</u>
NET POSITION					
Invested in capital assets, net of related debt	739,803	13,945,160	7,925,970	19,798	22,630,731
Restricted for net pension asset	5,456	27,516	19,343	-	52,315
Unrestricted	759,392	7,151,944	2,108,513	464,113	10,483,962
Total Net Position	<u>\$ 1,504,651</u>	<u>\$ 21,124,620</u>	<u>\$ 10,053,826</u>	<u>\$ 483,911</u>	<u>\$ 33,167,008</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, 2020

	Business-Type Activities				Total
	KR Utility District	Utility District #1	Somers Water	Storm Water Utility (Non-major)	
OPERATING REVENUES					
Charges for services	\$ 201,364	\$ 2,362,701	\$ 1,189,203	\$ 275,308	\$ 4,028,576
Miscellaneous operating revenue	-	4,534	7,557	-	12,091
Total operating revenues	<u>201,364</u>	<u>2,367,235</u>	<u>1,196,760</u>	<u>275,308</u>	<u>4,040,667</u>
OPERATING EXPENSES					
Personnel	45,279	237,342	152,679	-	435,300
Materials and supplies	702	25,222	390,628	13,821	430,373
Contractual and other services	140,334	683,377	52,477	2,585	878,773
Depreciation	27,816	617,321	305,077	-	950,214
Total operating expense	<u>214,131</u>	<u>1,563,262</u>	<u>900,861</u>	<u>16,406</u>	<u>2,694,660</u>
Operating income (loss)	(12,767)	803,973	295,899	258,902	1,346,007
NON-OPERATING REVENUES (EXPENSES)					
Tax levy for debt service	-	303,034	-	-	303,034
Investment income	700	2,863	5,357	-	8,920
Interest and fiscal charges	-	(271,207)	(113,433)	-	(384,640)
Miscellaneous revenue	560	13,458	9,859	-	23,877
Operating grants and contributions	1,345	2,895	1,634	-	5,874
Miscellaneous expenses	-	(353)	(156)	-	(509)
Total non-operating revenue (expenses)	<u>2,605</u>	<u>50,690</u>	<u>(96,739)</u>	<u>-</u>	<u>(43,444)</u>
Income (loss) before capital contributions and transfers	(10,162)	854,663	199,160	258,902	1,302,563
CAPITAL CONTRIBUTIONS and TRANSFERS					
Contributions	5,600	549,550	1,191,480	-	1,746,630
Connection fees	-	225,240	-	-	225,240
Transfers from other funds	127,746	-	-	-	127,746
Total contributions and transfers	<u>133,346</u>	<u>774,790</u>	<u>-</u>	<u>-</u>	<u>2,099,616</u>
Change in net position	123,184	1,629,453	1,390,640	258,902	3,402,179
Net position at beginning of year	<u>1,381,467</u>	<u>19,495,167</u>	<u>8,663,186</u>	<u>225,009</u>	<u>29,764,829</u>
Total net position at end of year	<u>\$ 1,504,651</u>	<u>\$ 21,124,620</u>	<u>\$ 10,053,826</u>	<u>\$ 483,911</u>	<u>\$ 33,167,008</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2020**

	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	\$ 205,750	\$ 2,372,567	\$ 1,230,912	\$ 269,516	\$ 4,078,745
Paid to suppliers for goods and services	(156,768)	(683,759)	(489,960)	(18,289)	(1,348,776)
Paid to employees	(27,601)	(143,284)	(99,023)	-	(269,908)
Cash Flows from Operating Activities	<u>21,381</u>	<u>1,545,524</u>	<u>641,929</u>	<u>251,227</u>	<u>2,460,061</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Tax levy	-	303,707	-	5,792	309,499
Operating grants and contributions	1,345	2,895	1,634	-	5,874
Transfers in	127,746	-	-	-	127,746
Miscellaneous income/(expense)	560	13,458	(1,181,621)	-	(1,167,603)
Cash Flows from Noncapital Financing Activities	<u>129,651</u>	<u>320,060</u>	<u>(1,179,987)</u>	<u>5,792</u>	<u>(724,484)</u>
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES					
Debt retired	(535)	(877,685)	(422,936)	-	(1,301,156)
Interest paid	-	(278,015)	(115,407)	-	(393,422)
Capital contributions	5,600	774,790	1,191,480	-	1,971,870
Acquisition and construction of capital assets	(274,873)	(2,182,293)	(265,038)	(10,119)	(2,732,323)
Disposal of capital assets	-	-	(39,836)	-	(39,836)
Cash Flows from Capital and Financing Activities	<u>(269,808)</u>	<u>(2,563,203)</u>	<u>348,263</u>	<u>(10,119)</u>	<u>(2,494,867)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interfund loans payments received (paid)	29,044	-	172,084	-	201,128
Interest income	700	2,863	5,357	-	8,920
Cash Flows from Investing Activities	<u>29,744</u>	<u>2,863</u>	<u>177,441</u>	<u>-</u>	<u>210,048</u>
Net Change in Cash and Cash Equivalents	(89,032)	(694,756)	(12,354)	246,900	(549,242)
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	<u>499,771</u>	<u>7,824,800</u>	<u>99,040</u>	<u>218,333</u>	<u>8,641,944</u>
Cash, Cash Equivalents and Restricted Cash - End of Year	<u>\$ 410,739</u>	<u>\$ 7,130,044</u>	<u>\$ 86,686</u>	<u>\$ 465,233</u>	<u>\$ 8,092,702</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2020**

	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)	\$ (12,767)	\$ 803,973	\$ 295,899	\$ 258,902	\$ 1,346,007
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:					
Depreciation expense	27,816	617,321	305,077	-	950,214
Change in pension related assets, liabilities, and deferred outflows and deferred inflows	(3,112)	(16,489)	(11,744)	-	(31,345)
Miscellaneous Expense	-	(353)	(156)	-	(509)
Change in Other Post Employment Benefits	4,565	22,199	16,234	-	42,998
Changes in assets and liabilities:					
Accounts receivable	4,386	5,332	34,152	(5,792)	38,078
Prepaid items	(3)	(21)	(14)	-	(38)
Accounts payable	496	113,562	2,481	(1,883)	114,656
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 <u>\$ 21,381</u>	 <u>\$ 1,545,524</u>	 <u>\$ 641,929</u>	 <u>\$ 251,227</u>	 <u>\$ 2,460,061</u>
 NON-CASH INVESTING AND FINANCING ACTIVITIES:					
Assets contributed by developers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,191,480</u>	<u>\$ -</u>	<u>\$ 1,191,480</u>

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
December 31, 2020

ASSETS

Cash and cash equivalents	\$ 6,539,192
Taxes receivable	<u>6,903,468</u>
Total Assets	<u><u>\$ 13,442,660</u></u>

LIABILITIES

Due to other governments	<u>\$ 13,442,660</u>
Total Liabilities	<u><u>\$ 13,442,660</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, 2020

	<u>Custodial Tax Collection Fund</u>
ADDITIONS	
Taxes Collected on Behalf of Other Taxing Entities	\$ 13,456,361
DEDUCTIONS	
Taxes Remitted to Other Taxing Entities	<u>(13,456,361)</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, 2020**

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**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 F. - 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, 2020**

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 three types of inflows that qualify for reporting in this category: property taxes, other post-employment benefits, and pension liability. These amounts will be recognized as an inflow of resources in the subsequent year for which it was levied.

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, 2020**

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, 2020**

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.

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 Fund - accounts 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. Also includes the following:
 - Tax Incremental District #1 – accounts for all activity related to the First Park LLC development.
 - Tax Incremental District #2 – accounts for all activity related to Somers Market area development.
 - Tax Incremental Districts #3 - #11. These are new districts in various areas of Somers that the Village intends to develop.
- 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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 they hold 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, 2020**

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.

Both the Tax Incremental Financing District No. 1 (TID #1) and Tax Incremental Financing District No. 2 (TID #2) were created in 2015 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, 2020**

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, 2020**

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, 2020**

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, 2020, 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, 2020**

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 and 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 - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in Full, or First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax settlement with Village:	
First settlement	January 15, 2021
Second settlement	February 20, 2021
Final settlement	August 15, 2021

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 \$22,601 on December 31, 2020. 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 \$46,228.

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 \$34,022 which is reported in the Park Fund.

As a requirement of the Village’s Bonds, total restricted cash for bond reserves of \$786,625 was allocated out of the General Fund for debt service. Of this amount, \$215,854 is allocated to debt service for Tax Incremental District #1, \$351,500 is allocated to debt service for Tax Incremental District #2, \$132,586 is allocated to the Utility District #1, and \$86,686 is allocated to the Somers Water Fund.

In the Utility District #1, cash of \$6,295 is restricted for the DNR replacement fund.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

6. Other Assets

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

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, 2020 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.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The Village does not engage in conduit debt transactions.

9. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in 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.

10. 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.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

10. Equity Classifications (continued)

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, 2020**

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, 2019	\$ (20,971,782)
New proceeds	(3,082,695)
Amortization of debt discount and issue costs	28,888
Vacation/sick day accrual	(45,518)
Other postemployment benefits (OPEB)	(296,641)
Principal retirements	<u>2,553,231</u>
Bonds and notes payable December 31, 2020	<u>\$ (21,814,517)</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 (\$500,576) difference are as follows:

New proceeds	\$ (3,082,695)
Amortization of bond costs	28,888
Principal repayments – General Obligation debt	<u>2,553,231</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (500,576)</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 2020, the Village had the following appropriations over budget:

Appropriation	Amount Over Budget	Reason
Public Safety	\$ 92,553	Additional firefighters hired
Solid Waste Collection	\$ 7,603	Garbage charges higher than anticipated

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, 2020:

Fund	Deficit Balance
Tax Incremental District #3	\$ 168,857
Tax Incremental District #4	105,531
Tax Incremental District #5	18,314
Tax Incremental District #6	146,995
Tax Incremental District #7	17,675
Tax Incremental District #8	54,811
Tax Incremental District #9	17,634
Tax Incremental District #10	6,262
Tax Incremental District #11	17,625

The tax incremental districts' deficits are anticipated to be funded with future incremental taxes levied over the life of the district.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 2020 and 2019 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	\$ 1,909	\$ -	\$ 1,909
Demand deposits			
Interest bearing	5,347,344	786,626	6,133,970
Non-interest bearing	2,408	-	2,408
Other cash	11,174,264	109,146	11,283,410
Fiduciary			
Tax deposits	6,539,192	-	6,539,192
	<u>\$ 23,065,117</u>	<u>\$ 895,772</u>	<u>\$ 23,960,889</u>
Per statement of net position - cash and cash equivalents			\$ 16,525,925
Per statement of net position - restricted cash			895,772
Per statement of fiduciary net position - cash and cash equivalents			6,539,192
			<u>\$ 23,960,889</u>

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, 2020**

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 \$11,283,410 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, 2020, 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, 2020, 86.76% was invested in various US Government investments which are backed by the federal government and not insured; and 13.24% 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, 2020 were as follows:

Local Government Investment Pool	
General Fund	\$ 11,184,450
Park Fund	34,022
Drainage	46,228
Utility District #1	6,295
Water Fund	12,415
	\$ 11,283,410

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 \$15,074,915 of various securities as collateralization for the Village's deposits.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

A. DEPOSITS AND INVESTMENTS (continued)

At December 31, 2020, the reported amount of the Village's deposits, including LGIP, was \$23,961,073 and the bank balance, including LGIP, was \$21,164,261. Of this balance, \$10,450,698 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 \$1,909. 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

The Village has no investments.

B. RECEIVABLES

Revenues of the Village are reported net of uncollectible amounts. Total uncollectible amounts related to receivables of the governmental funds increased by \$15,507 to arrive at an ending balance for the current period of \$605,947.

In the Water Fund, the deferred special assessments are recorded net of the uncollectible amount of \$220,362.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

C. CAPITAL ASSETS

The valuation of the Village's fixed assets of the governmental funds is based on historical costs and an inventory done by the staff. The additions column represents the new assets in 2020. The deletions column represents the assets that were discarded in 2020. Capital asset valuation for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets not being depreciated:				
Land	\$ 216,294	\$ 816,183	\$ -	\$ 1,032,477
Construction in Progress	-	-	-	-
Land Improvements	4,185,036	-	-	4,185,036
Total Capital Assets not being depreciated	<u>4,401,330</u>	<u>816,183</u>	<u>-</u>	<u>5,217,513</u>
Other Capital Assets:				
Land Improvements	418,756	248,545	-	667,301
Buildings	6,025,568	12,197	-	6,037,765
Machinery & Equipment	5,570,324	358,643	(68,345)	5,860,622
Intangible Assets	38,732	-	-	38,732
Infrastructure	12,779,384	294,892	(360,966)	12,713,310
Total Other Capital Assets at Historical Cost	<u>24,832,764</u>	<u>914,277</u>	<u>(429,311)</u>	<u>25,317,730</u>
Less: Accumulated Depreciation	<u>(14,082,989)</u>	<u>(664,725)</u>	<u>429,311</u>	<u>(14,318,403)</u>
Net Total Other Capital Assets	<u>10,749,775</u>	<u>249,552</u>	<u>-</u>	<u>10,999,327</u>
Net Total Government Activities Capital Assets	<u>\$ 15,151,105</u>	<u>\$ 1,065,735</u>	<u>\$ -</u>	<u>\$ 16,216,840</u>
	Add: Net book value of fixed assets reported in Proprietary Funds and paid for by Governmental Funds			\$ 2,968,119
	Less debt related to capital assets			<u>(18,221,448)</u>
	Net investment in capital assets for government- wide statements			<u>\$ 963,511</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

C. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Governmental Activities

General Government	\$	43,667
Public Safety		184,389
Public Works		423,879
Leisure Activities		11,629
Planning & Development		1,161
Total Governmental Activities - Depreciation Expense	<u>\$</u>	<u>664,725</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets not being depreciated:				
Intangible Asset - Easement	\$ 21,660	\$ -	\$ -	\$ 21,660
Construction in Progress	<u>360,182</u>	<u>2,080,688</u>	<u>(277,057)</u>	<u>2,163,813</u>
Total Capital Assets not being depreciated	<u>381,842</u>	<u>2,080,688</u>	<u>(277,057)</u>	<u>2,185,473</u>
Other Capital Assets:				
Utility Plant in Service	42,948,344	2,332,347	(372,355)	44,908,336
Machinery & Equipment	2,640,811	160,179	(1,100)	2,799,890
Intangible Asset - Software	<u>38,733</u>	<u>-</u>	<u>-</u>	<u>38,733</u>
Total Other Capital Assets at Historical Cost	<u>45,627,888</u>	<u>2,492,526</u>	<u>(373,455)</u>	<u>47,746,959</u>
Less: Accumulated Depreciation	<u>(11,476,810)</u>	<u>(950,214)</u>	<u>40,937</u>	<u>(12,386,087)</u>
Net Total Other Capital Assets	<u>34,151,078</u>	<u>1,542,312</u>	<u>(332,518)</u>	<u>35,360,872</u>
Net Total Business-Type Activities Capital Assets	<u>\$ 34,532,920</u>	<u>\$ 3,623,000</u>	<u>\$ (609,575)</u>	<u>\$ 37,546,345</u>

Add: Net book value of fixed assets reported
in Proprietary Funds and paid for by
Governmental Funds \$ (2,968,119)

Less debt related to capital assets (11,947,495)

Net investment in capital assets for government-
wide statements \$ 22,630,731

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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	\$	617,321
Somers Water Utility		305,077
KR Utility District		27,816
Total Business - Type Activities Depreciation Expense	\$	950,214

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, 2020, the balance is \$382,096.

	<u>Principal</u>	<u>Interest</u>
For Year Ending December 31,		
2021	\$ 29,093	\$ 650
2022	29,143	600
2023	29,192	551
2024	29,242	501
2025	29,292	451
2026-2030	147,208	1,506
2031-2033	88,926	303
	\$382,096	\$ 4,562

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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	\$ 914,766	\$ (3,805,569)	\$ (2,890,803)
Debt Service	-	3,057,742	3,057,742
Park Fund	(13,566)	-	(13,566)
TID #1	-	26,726	26,726
TID #3	(155,059)	-	(155,059)
TID #4	(1,080)	-	(1,080)
TID #5	(17,707)	-	(17,707)
TID #8	(47,822)	-	(47,822)
TID #9	(17,632)	-	(17,632)
TID #10	(6,259)	-	(6,259)
TID #11	(17,625)	-	(17,625)
Water Utility	(638,016)	42,189	(595,827)
KR Utility Dist.	-	6,174	6,174
Utility Dist. #1	-	391,167	391,167
Storm Water Utility	-	281,571	281,571
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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.

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 2020:

Fund	In	Out	Reason
Capital Projects Fund	\$1,012,948		Fund capital improvements
General Fund		\$1,012,948	
TID #1	\$ 17,790		Fund TID development
TID #2	\$ 23,603		Fund TID development
Debt Service Fund		\$ 41,393	

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
General Obligation Bond	\$ 6,123,400	\$ 1,660,000	\$ 1,768,512	\$ 6,014,888	\$ 928,947
General Obligation Corporate Purpose	4,595,000	-	275,000	4,320,000	275,000
Revenue Bonds	6,440,000	-	175,000	6,265,000	200,000
Promissory Note	563,150	-	55,302	507,848	57,031
State Trust Fund Loan	950,418	-	54,417	896,001	57,125
Tax Increment Project Revenue Bond	650,000	-	225,000	425,000	200,000
Add/(Subtract) Deferred Amounts For: (Discounts)/Premiums	144,845	114,659	28,888	230,616	-
Total Bonds and Notes Payable	<u>19,466,813</u>	<u>1,774,659</u>	<u>2,582,119</u>	<u>18,659,353</u>	<u>1,718,102</u>
Other Liabilities:					
Post Retirement Benefits	1,198,353	296,641	-	1,494,994	-
Vested Vacation and Sick Days	306,616	352,134	306,616	352,134	123,185
Developer Reimbursement Obligation	-	1,308,036	-	1,308,036	-
Total Other Liabilities	<u>1,504,969</u>	<u>1,956,811</u>	<u>306,616</u>	<u>3,155,164</u>	<u>123,185</u>
Total Governmental Activities- Long-Term Liabilities	<u><u>\$ 20,971,782</u></u>	<u><u>\$ 3,731,470</u></u>	<u><u>\$ 2,888,735</u></u>	<u><u>\$ 21,814,517</u></u>	<u><u>\$ 1,841,287</u></u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

E. LONG TERM OBLIGATIONS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-Type Activities					
Bonds and Notes Payable:					
General Obligation Bond	\$ 7,941,600	\$ -	\$ 1,016,488	\$ 6,925,112	\$ 1,036,052
Capital Leases	74,259	-	23,870	50,389	24,743
Promissory Note	29,090	-	2,857	26,233	2,946
State Trust Fund Loan	2,120,152	-	98,929	2,021,223	102,857
Revenue Bonds	2,885,000	-	135,000	2,750,000	135,000
Add/(Subtract) Deferred Amounts For:					
Premium (Discounts)	195,529	-	20,991	174,538	-
Total Bonds and Notes Payable	<u>13,245,630</u>	<u>-</u>	<u>1,298,135</u>	<u>11,947,495</u>	<u>1,301,598</u>
Other Liabilities:					
Post Retirement Benefits	235,100	42,998	-	278,098	-
Vested Vacation and Sick Days	33,427	30,405	33,427	30,405	5,322
Total Other Liabilities	<u>268,527</u>	<u>73,403</u>	<u>33,427</u>	<u>308,503</u>	<u>5,322</u>
Total Business-Type Activities- Long-Term Liabilities	<u><u>\$ 13,514,157</u></u>	<u><u>\$ 73,403</u></u>	<u><u>\$ 1,331,562</u></u>	<u><u>\$ 12,255,998</u></u>	<u><u>\$ 1,306,920</u></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, 2020, was \$46,618,085.

The Village's legal margin for creation of additional general obligation debt on December 31, 2020 was \$25,856,391 as follows:

Equalized valuation of the Village	\$ 932,361,700
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	46,618,085
Net outstanding general obligation debt applicable to debt limitation	<u>20,761,694</u>
Legal margin for new debt	<u><u>\$ 25,856,391</u></u>

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 12/31/20</u>
<u>Governmental Activities - General Obligation Debt</u>					
General Obligation Refunding Bond	2015	2026	2.00 - 3.50%	\$ 199,220	\$ 152,428
General Obligation Corporate Purpose Bonds	2016	2025	2.00 - 3.00%	5,170,000	4,320,000
General Obligation Refunding Bond	2017	2027	2.02%	4,364,002	2,602,460
General Obligation Refunding Bond	2018	2036	3.15% - 4.5%	1,675,000	1,600,000
State Trust Fund Loan	2018	2032	4.75%	1,000,000	896,001
Promissory Note	2018	2028	3.00%	616,865	507,848
General Obligation Refunding Bond	2020	2030	2.00%	1,660,000	<u>1,660,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 11,738,737</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 12/31/20</u>
<u>Business Type Activities - General Obligation Debt</u>					
Capital Lease	2012	2022	3.63%	\$ 219,986	\$ 50,389
General Obligation Refunding Bond	2015	2027	2.00 - 3.50%	8,975,780	6,867,572
State Trust Fund Loan	2015	2035	3.75%	2,500,000	2,021,223
General Obligation Refunding Bond	2017	2027	2.02%	84,098	57,540
Promissory Note	2018	2028	3.00%	31,865	<u>26,233</u>
Total Business Type Activities - General Obligation Debt					<u>\$ 9,022,957</u>
Total General Obligation Debt					<u><u>\$ 20,761,694</u></u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 \$20,761,694 on December 31, 2020 are detailed below:

Years	Governmental Activities Debt		Business-Type Activities Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,318,102	\$ 352,614	\$ 1,166,599	\$ 275,661	\$ 2,484,701	\$ 628,275
2022	1,347,985	303,186	1,191,017	239,451	2,539,002	542,637
2023	1,377,832	262,317	1,179,246	202,859	2,557,078	465,176
2024	907,964	229,837	1,202,882	166,545	2,110,846	396,382
2025	913,422	205,650	1,222,132	129,200	2,135,554	334,850
2026-2030	3,437,429	684,532	2,260,199	271,514	5,697,628	956,046
2031-2035	2,061,003	236,243	800,882	92,378	2,861,885	328,621
2036-2040	375,000	6,375	-	-	375,000	6,375
	<u>\$ 11,738,737</u>	<u>\$ 2,280,754</u>	<u>\$ 9,022,957</u>	<u>\$ 1,377,608</u>	<u>\$ 20,761,694</u>	<u>\$ 3,658,362</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

E. LONG TERM OBLIGATIONS (continued)

REVENUE BONDS

Revenue bonds outstanding on December 31, 2020 totaled \$9,440,000 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 12/31/20</u>
<u>Governmental Activities - Revenue Bonds</u>					
Revenue Bond	2017	2037	3.08%	3,165,000	\$ 2,800,000
Bonds	2018	2036	3.5% - 5%	3,515,000	3,465,000
Tax Increment Project Revenue Bond	2018	2023	None	875,000	<u>425,000</u>
Total Governmental Activities - Revenue Bonds					<u>\$ 6,690,000</u>
	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/20</u>
<u>Business Type Activities - Revenue Bonds</u>					
Revenue Bonds	2016	2036	2.00 - 3.00%	2,055,000	\$ 1,725,000
Revenue Bonds	2017	2037	2.00 - 4.00%	1,420,150	<u>1,025,000</u>
Total Business Type Activities - Revenue Bonds					<u>\$ 2,750,000</u>
Total Revenue Bonds					<u><u>\$ 9,440,000</u></u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 \$9,440,000 on December 31, 2020 are detailed below:

Years	Governmental Activities Debt		Business-Type Activities Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 400,000	\$ 244,184	\$ 135,000	\$ 78,706	\$ 535,000	\$ 322,890
2022	420,000	236,936	140,000	75,706	560,000	312,642
2023	400,000	226,596	145,000	72,356	545,000	298,952
2024	340,000	214,866	145,000	68,956	485,000	283,822
2025	345,000	202,591	150,000	65,006	495,000	267,597
2026-2030	1,960,000	786,155	810,000	252,255	2,770,000	1,038,410
2031-2035	2,175,000	348,603	945,000	117,278	3,120,000	465,881
2036-2040	650,000	19,268	280,000	6,825	930,000	26,093
	<u>\$ 6,690,000</u>	<u>\$ 2,279,199</u>	<u>\$ 2,750,000</u>	<u>\$ 737,088</u>	<u>\$ 9,440,000</u>	<u>\$ 3,016,287</u>

Current Refundings

On July 15, 2020, the Village issued \$1,660,000 in general obligation bonds with an average interest rate of 2.00% to current refund four prior issues, \$890,000 of outstanding bonds with an average interest rate of 3.558%. The net proceeds of \$1,681,253 (after payment of \$50,393 in insurance and other issuance costs less an underwriting discount of \$10,209) plus an additional \$15,631 of prior issue debt service funds were used to prepay the outstanding debt service requirements on the old bonds.

The cash flow requirements on the refunded bonds prior to the current refunding was \$984,631. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$114,659.

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.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

E. LONG TERM OBLIGATIONS (continued)

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.

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.

F. RESTRICTED ASSETS

The Village's Restricted Assets at December 31, 2020 consisted of cash and cash equivalents as follows:

General Fund	\$ 22,601
Debt Service	
Tax Incremental District #1	\$ 215,854
Tax Incremental District #2	351,500
Total Debt Service	<u>\$ 567,354</u>
Special Revenue Funds	
Drainage	\$ 46,228
Park	34,022
Total Special Revenue Funds	<u>\$ 80,250</u>
Utility District #1	
Debt Service	\$ 132,586
Utility District Replacement Account	6,295
Total Utility District #1	<u>\$ 138,881</u>
Somers Water	
Debt Service	\$ 86,686
Total Somers Water	<u>\$ 86,686</u>
Total Restricted Cash and Assets	<u><u>\$ 895,772</u></u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

G. LEASE DISCLOSURES

Capital Leases – Lessee/Lessor

The Village entered into a lease-purchase agreement on November 30, 2012 for a customized truck for use by Utility District #1 in the amount of \$319,986 with a down payment of \$100,000 in 2012. The lease amount of \$319,986 began accruing interest on that date at 3.63% maturing on October 31, 2022. The vehicle was delivered in April, 2013 and depreciation began in 2013. The lease has been accrued as a long-term liability in the UD#1 Fund at December 31, 2012. The lease payments have been included in the schedule of debt service requirements in Note E. above and are shown separately below with the depreciation schedule of the truck.

	Utility District #1
Asset	
Machinery and Equipment	\$ 319,986
Less: Accumulated depreciation	(213,324)
Net Machinery and Equipment	\$ 106,662

Future Lease Payments

	Principal		Interest
2021	\$ 24,743	\$	1,064
2022	25,646		699
	\$ 50,389		\$ 1,763

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

H. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET POSITION

Governmental activities net position reported on the government-wide Statement of Net Position at December 31, 2020 includes the following:

GOVERNMENTAL ACTIVITIES

Net Investment in Capital Assets	
Land and construction in progress	\$ 1,032,477
Other capital assets, net of accumulated depreciation	15,184,363
Business-type capital assets bonded with government-type debt	2,968,119
Less: related long-term debt outstanding (net of unspent proceeds of debt and vacation accrual)	(18,221,448)
Total Investment in Capital Assets	<u>963,511</u>
Restricted for net pension asset	428,732
Unrestricted (deficit)	<u>(1,008,286)</u>
Total Governmental Activities Net Position	<u><u>\$ 383,957</u></u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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					
Land and construction in progress	\$ 168,863	\$ 1,690,930	\$ 284,222	\$ 19,798	\$ 2,163,813
Other capital assets, net of accumulated depreciation	570,940	20,578,259	14,233,333	-	35,382,532
Less: related long-term debt outstanding (net of unspent proceeds of debt and vacation accrual	-	(8,324,029)	(3,623,466)	-	(11,947,495)
Net book value of fixed assets reported in Proprietary Funds and paid for by Governmental Funds	-	-	(2,968,119)	-	(2,968,119)
Total Investment in Capital Assets	739,803	13,945,160	7,925,970	19,798	22,630,731
Restricted for net pension asset	5,456	27,516	19,343	-	52,315
Unrestricted	759,392	7,151,944	2,108,513	464,113	10,483,962
Total Business-Type Activities Net Position	\$ 1,504,651	\$ 21,124,620	\$ 10,053,826	\$ 483,911	\$ 33,167,008

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020 include the following:

Nonspendable

Major Funds	
General Fund - prepaid expenses	\$ 3,513
Total Nonspendable	<u>\$ 3,513</u>

Restricted

Major Funds	
Debt Service - debt service purposes only	\$ 3,003,750
Non-Major Funds	
Tax Incremental Districts - TID purposes only	\$ 17,439
Drainage Fund - drainage purposes only	139,188
Park Fund - park purposes only	<u>52,456</u>
Total Restricted	<u>\$ 3,212,833</u>

Assigned

Major Funds	
Fourth of July Parade	\$ 4,773
General Fund - subsequent year expenditures	28,785
General Fund - unspent donation	<u>1,000</u>
Total Assigned	<u>\$ 34,558</u>

Unassigned

Major Funds	
General Fund - undesignated funds	\$ 2,988,331
Non-Major Funds	
Tax Incremental Districts - deficit (See Note III C.)	<u>(304,162)</u>
Total Unassigned	<u>\$ 2,684,169</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Summary of Significant Accounting Policies

Pensions. For purposes of measuring the Net Pension Liability (Asset), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, and Pension Expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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 issued a standalone WRS Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

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 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.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE V – OTHER INFORMATION (continued)

A. EMPLOYEES’ RETIREMENT SYSTEM (continued)

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)

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 \$159,140 in contributions from the employer.

Contribution rates as of December 31, 2019 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

At December 31, 2020, the Village reported a net pension asset of \$481,047 for its proportionate share of the Net Pension Asset. The Net Pension Asset was measured as of December 31, 2019, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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, 2019, the Village's proportion was 0.01491872%, which was a decrease of 0.00589530% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020 the Village recognized pension expense of \$132,087.

At December 31, 2020, 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	\$ 913,136	\$ 456,964
Net differences between projected and actual earnings on pension plan investments	-	983,432
Changes in assumptions	37,486	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,192	133,423
Employer contributions subsequent to the measurement date	185,017	-
Total	\$ 1,155,831	\$ 1,573,819

\$185,017 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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)

Year ended December 31	Deferred Outflow of Resources	Deferred Inflows of Resources
2020	\$ 678,835	\$ (879,122)
2021	664,943	(820,353)
2022	531,860	(527,610)
2023	118,836	(370,393)
2024	-	-
Total	<u>\$ 1,994,474</u>	<u>\$ (2,597,478)</u>

Actuarial assumptions. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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)

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, 2019**

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49	8.0	5.1
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75% (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, 2019. 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 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

1% Decrease to Discount Rate 6.00%	Current Discount Rate 7.00%	1% Increase to Discount Rate 8.00%
Entity's proportionate share of the net pension liability (asset)	\$ 1,238,783	\$ (1,766,819)

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, 2020**

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, 2020 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, 2020**

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:	1.253
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:	3.460%
Discount Rate:	3.460%
Measurement Date:	12/31/2020
Prior Measurement Date:	12/31/2019
Prior Year Discount Rate:	3.850%
Projected Salary Increases:	2.00%
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, 2020**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

RETIREE HEALTH INSURANCE (continued)

The Village reported an OPEB liability of \$1,300,638 for the year ended December 31, 2020. 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	\$ 1,467,361	\$ 1,300,638	\$ 1,156,864

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, 2019	\$ 1,104,341	\$ -	\$ 1,104,341
Changes for the year:			
Service cost	29,939	-	29,939
Interest	43,567	-	43,567
Contributions and benefit payments	(5,392)	-	(5,392)
Economic/demographic gains or losses	69,592	-	69,592
Changes in assumptions or inputs	58,591	-	58,591
Net changes	196,297	-	196,297
Balance at December 31, 2020	\$ 1,300,638	\$ -	\$ 1,300,638

The Village recognized an OPEB expense of \$201,689 for the year ended December 31, 2020. 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	5
Active employees	11
	16

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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%	5.90%	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%	4.70%	3.00%	3.00%
Year 5	4.60%	4.60%	3.00%	3.00%
Year 6	4.50%	4.50%	3.00%	3.00%
Year 7	4.40%	4.40%	3.00%	3.00%
Year 8	4.30%	4.30%	3.00%	3.00%
Year 9	4.30%	4.30%	3.00%	3.00%
Year 10	4.30%	4.30%	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	\$ 1,141,501	\$ 1,300,638	\$ 1,484,693

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 the Net OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description. The LRLIF is a cost sharing multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (continued)

OPEB Plan Fiduciary Net Position. ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

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, 2020 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, 2019 are as listed below:

Life Insurance Employee Contribution Rates* For the year ended December 31, 2019		
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.		

During the reporting period, the LRLIF recognized \$2,005 in contributions from the employer.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (continued)

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

At December 31, 2020, the Village reported a liability of \$472,455 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. 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, 2019, the Village's proportion was 0.11095200%, which was an increase of 0.00463200% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized OPEB expense of \$51,496 for the Fund. No payables were outstanding as of the end of the year.

At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 21,166
Net differences between projected and actual earnings on OPEB plan investments	8,912	-
Changes in assumptions	174,291	51,967
Changes in proportion and differences between employer contributions and proportionate share of contributions	133,509	122,230
Contributions subsequent to the measurement date	7,143	-
Total	<u>\$ 323,855</u>	<u>\$ 195,363</u>

\$7,143 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (continued)

Year ended December 31	Expense
2020	\$ 20,284
2021	20,284
2022	19,324
2023	18,334
2024	16,820
2025	26,132
Thereafter	171
Total	\$ 121,349

Actuarial assumptions. The total OPEB liability in the January 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.74%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.87%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 actuarial valuation.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (continued)

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, 2019**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Credit Bonds	Barclays Credit	45%	2.12%
US Long Credit Bonds	Barclays Long Credit	5%	2.90%
US Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. 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.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Single Discount rate. A single discount rate of 2.87% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. 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 2.87 percent, 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 (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
Entity's proportionate share of the net OPEB liability (asset)	\$ 652,382	\$ 472,455	\$ 335,566

OPEB plan fiduciary net position. Detailed information about the OPEB plan’s fiduciary net position is available in separately issued financial statements available at <http://ef.wi.gov/publications/cafr.htm>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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. UNCERTAINTIES

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Village is closely monitoring its assets and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Village's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Village's customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact The Village's financial position and changes in net position, fund balance and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE V – OTHER INFORMATION (continued)

F. 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.

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).

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE V – OTHER INFORMATION (continued)

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

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.

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 2020, the levy was assessed in compliance with these terms.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE V – OTHER INFORMATION (continued)

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

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 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.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE V – OTHER INFORMATION (continued)

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

<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.

G. 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.

H. SUBSEQUENT EVENTS

Management evaluated subsequent events through November 9, 2021, the date the financial statements were available to be issued.

Subsequent to year end, the Village approved \$12.5 million to be expended for the Village’s Sewer rehabilitation and other capital projects. A bond issue of \$13.9 million was obtained to finance the projects as part of the Village’s ongoing development.

Management is not aware of any other events that would require disclosure in the financial statement footnotes.

I. UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after June 15, 2021. The Village is currently evaluating the impact this standard will have on the financial statements when adopted.

VILLAGE OF SOMERS

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SOMERS
KENOSHA COUNTY, WISCONSIN

Schedule of Changes in Health Insurance OPEB Liability

Last 10 Fiscal Years

	2018	2019	2020
Total OPEB Liability			
Balance as of Prior Measurement Date	\$ 1,349,694	\$ 1,147,677	\$ 1,159,112
Service Cost	46,073	32,110	29,939
Interest on Total OPEB Liability	34,792	50,745	43,567
Effect of Plan Changes	-	-	-
Effect of Economic/Demographic Gains of Losses	(63,230)	(63,231)	69,592
Effect of Assumptions Changes or Inputs	(211,463)	-	3,820
Benefit Payments	-	-	-
Employer Contributions	(8,189)	(8,189)	(5,392)
Employee Contributions	-	-	-
Net Investment Income	-	-	-
Administrative Expenses	-	-	-
Balance as of Current Measurement Date	\$ 1,147,677	\$ 1,159,112	\$ 1,300,638

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

				Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Plan Year Ending	Net OPEB Liability	Fiduciary Net Position	Covered Employee Payroll	Covered Employee Payroll	a Percentage of the Total OPEB Liability (Asset)
12/31/2017	\$ 1,349,694	\$ -	\$ 796,915	0.00%	0.00%
12/31/2018	1,147,677	-	802,342	0.00%	0.00%
12/31/2019	1,159,112	-	1,011,066	0.00%	0.00%
12/31/2020	1,300,638	-	939,915	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)	Covered Employee Payroll	Share of the Net OPEB Liability (Asset) as a Percentage of 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%

*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%

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%

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, 2020

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.

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 the ten fiscal years are presented.

VILLAGE OF SOMERS
KENOSHA COUNTY, WISCONSIN

SUPPLEMENTARY INFORMATION

**VILLAGE OF SOMERS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2020**

	Special Revenue Funds			Capital Projects Funds				
	Drainage Fund	Park 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 investments	\$ 92,960	\$ -	\$ 92,960	\$ 18,797	\$ 2,569	\$ -	\$ -	\$ -
Property taxes receivable	-	-	-	26,726	-	-	-	-
Miscellaneous receivable	-	32,000	32,000	-	2,550	-	550	-
Restricted cash	46,228	34,022	80,250	-	-	-	-	-
Deferred special assessments	-	-	-	506,105	290,460	-	-	-
TOTAL ASSETS	\$ 139,188	\$ 66,022	\$ 205,210	\$ 551,628	\$ 295,579	\$ -	\$ 550	\$ -
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ 10,557	\$ 3,909	\$ 13,798	\$ 1	\$ 607
Due to other funds	-	13,566	13,566	-	-	155,059	1,080	17,707
Developer deposits	-	-	-	-	-	-	105,000	-
TOTAL LIABILITIES	-	13,566	13,566	10,557	3,909	168,857	106,081	18,314
DEFERRED INFLOWS OF RESOURCES								
Deferred tax levy	-	-	-	26,726	-	-	-	-
Deferred special assessments	-	-	-	498,116	290,460	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	524,842	290,460	-	-	-
FUND BALANCES								
Restricted								
Tax Incremental Districts	-	-	-	16,229	1,210	-	-	-
Drainage fund	139,188	-	139,188	-	-	-	-	-
Park fund	-	52,456	52,456	-	-	-	-	-
Unassigned	-	-	-	-	-	(168,857)	(105,531)	(18,314)
Total fund balances (deficit)	<u>139,188</u>	<u>52,456</u>	<u>191,644</u>	<u>16,229</u>	<u>1,210</u>	<u>(168,857)</u>	<u>(105,531)</u>	<u>(18,314)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 139,188	\$ 66,022	\$ 205,210	\$ 551,628	\$ 295,579	\$ -	\$ 550	\$ -

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
December 31, 2020**

	Capital Projects Funds						Capital Projects Fund	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 investments	\$ 36,242	\$ 2,716	\$ -	\$ -	\$ -	\$ -	\$ 407,718	\$ 468,042	\$ 561,002
Property taxes receivable	-	-	-	-	-	-	-	26,726	26,726
Miscellaneous receivable	5,983	-	-	-	-	-	47,654	56,737	88,737
Restricted cash	-	-	-	-	-	-	-	-	80,250
Deferred special assessments	-	-	-	-	-	-	-	796,565	796,565
TOTAL ASSETS	\$ 42,225	\$ 2,716	\$ -	\$ -	\$ -	\$ -	\$ 455,372	\$ 1,348,070	\$ 1,553,280
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 189,220	\$ 20,391	\$ 6,989	\$ 2	\$ 3	\$ -	\$ 158,176	\$ 403,653	\$ 403,653
Due to other funds	-	-	47,822	17,632	6,259	17,625	-	263,184	276,750
Developer deposits	-	-	-	-	-	-	-	105,000	105,000
TOTAL LIABILITIES	189,220	20,391	54,811	17,634	6,262	17,625	158,176	771,837	785,403
DEFERRED INFLOWS OF RESOURCES									
Deferred tax levy	-	-	-	-	-	-	47,654	74,380	74,380
Deferred special assessments	-	-	-	-	-	-	-	788,576	788,576
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	47,654	862,956	862,956
FUND BALANCES									
Restricted									
Tax Incremental Districts	-	-	-	-	-	-	-	17,439	17,439
Drainage fund	-	-	-	-	-	-	-	-	139,188
Park fund	-	-	-	-	-	-	-	-	52,456
Unassigned	(146,995)	(17,675)	(54,811)	(17,634)	(6,262)	(17,625)	249,542	(304,162)	(304,162)
Total fund balances (deficit)	<u>(146,995)</u>	<u>(17,675)</u>	<u>(54,811)</u>	<u>(17,634)</u>	<u>(6,262)</u>	<u>(17,625)</u>	<u>249,542</u>	<u>(286,723)</u>	<u>(95,079)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 42,225	\$ 2,716	\$ -	\$ -	\$ -	\$ -	\$ 455,372	\$ 1,348,070	\$ 1,553,280

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, 2020

	Special Revenue Funds			Capital Projects Funds				
	Drainage Fund	Park 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	\$ -	\$ 32,000	\$ 32,000	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	23,788	-	2,275	28,312	25,000
Investment income	228	167	395	8,418	1	-	98	-
Miscellaneous revenue	-	100	100	-	-	-	-	-
Total Revenues	<u>228</u>	<u>32,267</u>	<u>32,495</u>	<u>32,206</u>	<u>1</u>	<u>2,275</u>	<u>28,410</u>	<u>25,000</u>
EXPENDITURES								
Leisure activities	-	44,533	44,533	-	-	-	-	-
Conservation and development	-	-	-	30,462	22,690	478,077	54,380	15,891
Capital outlay	-	-	-	12,941	-	-	-	-
Debt service:								
Interest and other charges	-	-	-	474	961	-	-	-
Total Expenditures	<u>-</u>	<u>44,533</u>	<u>44,533</u>	<u>43,877</u>	<u>23,651</u>	<u>478,077</u>	<u>54,380</u>	<u>15,891</u>
Excess (deficiency) of revenues over expenditures	<u>228</u>	<u>(12,266)</u>	<u>(12,038)</u>	<u>(11,671)</u>	<u>(23,650)</u>	<u>(475,802)</u>	<u>(25,970)</u>	<u>9,109</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from general obligation debt	-	-	-	-	-	405,491	-	-
Premium on bonds	-	-	-	-	-	-	-	-
Transfers in	-	-	-	17,790	23,603	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,790</u>	<u>23,603</u>	<u>405,491</u>	<u>-</u>	<u>-</u>
Net change in fund balance	228	(12,266)	(12,038)	6,119	(47)	(70,311)	(25,970)	9,109
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	138,960	64,722	203,682	10,110	1,257	(98,546)	(79,561)	(27,423)
FUND BALANCES - END OF YEAR (DEFICIT)	<u>\$ 139,188</u>	<u>\$ 52,456</u>	<u>\$ 191,644</u>	<u>\$ 16,229</u>	<u>\$ 1,210</u>	<u>\$ (168,857)</u>	<u>\$ (105,531)</u>	<u>\$ (18,314)</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, 2020

Capital Projects 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	Capital Projects Fund	Total Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,790	\$ 4,790	\$ 36,790
Charges for services	133,383	-	-	-	20,000	-	-	232,758	232,758
Investment income	145	-	-	-	-	-	-	8,662	9,057
Miscellaneous revenue	141,867	-	-	-	-	-	-	141,867	141,967
Total Revenues	<u>275,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>4,790</u>	<u>388,077</u>	<u>420,572</u>
EXPENDITURES									
Leisure activities	-	-	-	-	-	-	-	-	44,533
Conservation and development	846,108	(24,383)	264,729	731	9,359	722	-	1,698,766	1,698,766
Capital outlay	114,806	-	-	-	-	-	1,097,841	1,225,588	1,225,588
Debt service:									
Interest and other charges	-	-	-	-	-	-	48,490	49,925	49,925
Total Expenditures	<u>960,914</u>	<u>(24,383)</u>	<u>264,729</u>	<u>731</u>	<u>9,359</u>	<u>722</u>	<u>1,146,331</u>	<u>2,974,279</u>	<u>3,018,812</u>
Excess (deficiency) of revenues over expenditures	<u>(685,519)</u>	<u>24,383</u>	<u>(264,729)</u>	<u>(731)</u>	<u>10,641</u>	<u>(722)</u>	<u>(1,141,541)</u>	<u>(2,586,202)</u>	<u>(2,598,240)</u>
OTHER FINANCING SOURCES (USES)									
Proceeds from general obligation debt	667,098	-	235,446	-	-	-	845,000	2,153,035	2,153,035
Premium on bonds	-	-	-	-	-	-	5,197	5,197	5,197
Transfers in	-	-	-	-	-	-	1,012,948	1,054,341	1,054,341
Total other financing sources and uses	<u>667,098</u>	<u>-</u>	<u>235,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,863,145</u>	<u>3,212,573</u>	<u>3,212,573</u>
Net change in fund balance	(18,421)	24,383	(29,283)	(731)	10,641	(722)	721,604	626,371	614,333
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	<u>(128,574)</u>	<u>(42,058)</u>	<u>(25,528)</u>	<u>(16,903)</u>	<u>(16,903)</u>	<u>(16,903)</u>	<u>(472,062)</u>	<u>(913,094)</u>	<u>(709,412)</u>
FUND BALANCES - END OF YEAR (DEFICIT)	<u>\$ (146,995)</u>	<u>\$ (17,675)</u>	<u>\$ (54,811)</u>	<u>\$ (17,634)</u>	<u>\$ (6,262)</u>	<u>\$ (17,625)</u>	<u>\$ 249,542</u>	<u>\$ (286,723)</u>	<u>\$ (95,079)</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
December 31, 2020**

	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	\$ 34,652	\$ 1,640,152	\$ 731,661	\$ -	\$ 1,420	\$ 3,010	\$ 3,315
Property taxes receivable	1,076,127	1,011,944	942,859	-	2,301	-	735
Restricted cash	-	215,854	351,500	-	-	-	-
TOTAL ASSETS	<u>\$ 1,110,779</u>	<u>\$ 2,867,950</u>	<u>\$ 2,026,020</u>	<u>\$ -</u>	<u>\$ 3,721</u>	<u>\$ 3,010</u>	<u>\$ 4,050</u>
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES							
DEFERRED INFLOWS OF RESOURCES							
Deferred property tax levy	1,076,125	1,011,944	942,859	-	2,301	-	735
TOTAL DEFERRED INFLOWS OF RESOURCES	1,076,125	1,011,944	942,859	-	2,301	-	735
FUND BALANCES							
Restricted							
Debt service	34,654	1,856,006	1,083,161	-	1,420	3,010	3,315
Total fund balances	<u>34,654</u>	<u>1,856,006</u>	<u>1,083,161</u>	<u>-</u>	<u>1,420</u>	<u>3,010</u>	<u>3,315</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,110,779</u>	<u>\$ 2,867,950</u>	<u>\$ 2,026,020</u>	<u>\$ -</u>	<u>\$ 3,721</u>	<u>\$ 3,010</u>	<u>\$ 4,050</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS (continued)
December 31, 2020**

	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	\$ 14,808	\$ 472	\$ 2,670	\$ 3,979	\$ 255	\$ 2,436,394
Property taxes receivable	18,136	216	2,317	3,034	73	3,057,742
Restricted cash	-	-	-	-	-	567,354
TOTAL ASSETS	<u>\$ 32,944</u>	<u>\$ 688</u>	<u>\$ 4,987</u>	<u>\$ 7,013</u>	<u>\$ 328</u>	<u>\$ 6,061,490</u>
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES						
DEFERRED INFLOWS OF RESOURCES						
Deferred property tax levy	18,136	216	2,317	3,034	73	3,057,740
TOTAL DEFERRED INFLOWS OF RESOURCES	18,136	216	2,317	3,034	73	3,057,740
FUND BALANCES						
Restricted						
Debt service	14,808	472	2,670	3,979	255	3,003,750
Total fund balances	<u>14,808</u>	<u>472</u>	<u>2,670</u>	<u>3,979</u>	<u>255</u>	<u>3,003,750</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 32,944</u>	<u>\$ 688</u>	<u>\$ 4,987</u>	<u>\$ 7,013</u>	<u>\$ 328</u>	<u>\$ 6,061,490</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, 2020

	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	\$ 1,063,410	\$ 1,077,133	\$ 989,149	\$ -	\$ 1,409	\$ 3,010
Investment income	-	20,976	16,498	-	11	-
Total Revenues	<u>1,063,410</u>	<u>1,098,109</u>	<u>1,005,647</u>	<u>-</u>	<u>1,420</u>	<u>3,010</u>
EXPENDITURES						
Debt service:						
Principal	919,235	304,417	450,000	-	-	-
Interest charges	157,643	199,674	276,703	-	-	-
Total Expenditures	<u>1,076,878</u>	<u>504,091</u>	<u>726,703</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(13,468)</u>	<u>594,018</u>	<u>278,944</u>	<u>-</u>	<u>1,420</u>	<u>3,010</u>
OTHER FINANCING SOURCES (USES)						
Refunding debt issued	815,000	-	-	-	-	-
Premium on bonds	76,658	-	-	-	-	-
Payment to current noteholder	(879,579)	-	-	-	-	-
Transfers out	-	(17,790)	(23,603)	-	-	-
Total other financing sources and uses	<u>12,079</u>	<u>(17,790)</u>	<u>(23,603)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,389)	576,228	255,341	-	1,420	3,010
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	<u>36,043</u>	<u>1,279,778</u>	<u>827,820</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 34,654</u>	<u>\$ 1,856,006</u>	<u>\$ 1,083,161</u>	<u>\$ -</u>	<u>\$ 1,420</u>	<u>\$ 3,010</u>

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS (continued)
For the Year Ended December 31, 2020

	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	\$ 3,313	\$ 14,801	\$ 472	\$ 2,669	\$ 3,976	\$ 255	\$ 3,159,597
Investment income	2	7	-	1	3	-	37,498
Total Revenues	<u>3,315</u>	<u>14,808</u>	<u>472</u>	<u>2,670</u>	<u>3,979</u>	<u>255</u>	<u>3,197,095</u>
EXPENDITURES							
Debt service:							
Principal	-	-	-	-	-	-	1,673,652
Interest charges	-	-	-	-	-	-	634,020
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,307,672</u>
Excess (deficiency) of revenues over expenditures	<u>3,315</u>	<u>14,808</u>	<u>472</u>	<u>2,670</u>	<u>3,979</u>	<u>255</u>	<u>889,423</u>
OTHER FINANCING SOURCES (USES)							
Refunding debt issued	-	-	-	-	-	-	815,000
Premium on bonds	-	-	-	-	-	-	76,658
Payment to current noteholder	-	-	-	-	-	-	(879,579)
Transfers out	-	-	-	-	-	-	(41,393)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,314)</u>
Net change in fund balance	3,315	14,808	472	2,670	3,979	255	860,109
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,143,641</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,315</u>	<u>\$ 14,808</u>	<u>\$ 472</u>	<u>\$ 2,670</u>	<u>\$ 3,979</u>	<u>\$ 255</u>	<u>\$ 3,003,750</u>

See accompanying notes to the financial statements.