

**VILLAGE OF SOMERS
KENOSHA COUNTY, WISCONSIN**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2024**

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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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Somers, Wisconsin as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to previously present fairly the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Somers, Wisconsin, as of December 31, 2024, or the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 21, and the OPEB and pension schedules on pages 93 through 95 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 2023 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated September 24, 2024. In our opinion, the summarized comparative information for the government funds presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Andrea & Orendorff LLP".

Andrea & Orendorff LLP
Pleasant Prairie, Wisconsin
October 7, 2025

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

Our discussion and analysis of the Village of Somers's (the Village) financial performance provides an overview of the Village's financial activities for the year ended December 31, 2024.

USING THIS ANNUAL REPORT

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

Reporting the Village as a Whole

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

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

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

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

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

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

Reporting the Village as a Whole (continued)

Governmental Activities: (continued)

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

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

Business-type activities:

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

Fiduciary activities:

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

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

Reporting the Village's Most Significant Funds

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

Governmental Funds

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

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

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

Proprietary Funds

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

Fiduciary Funds

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

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

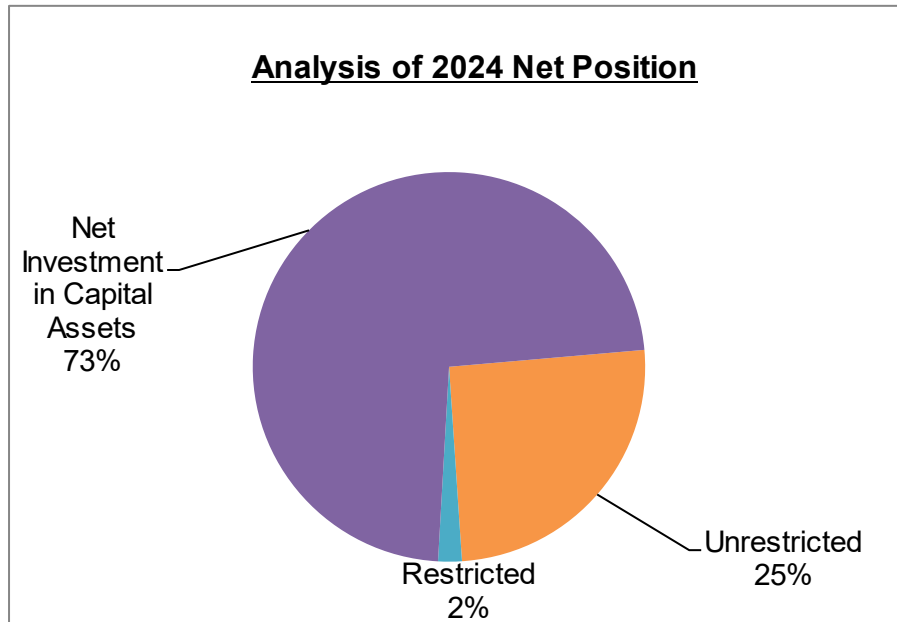
The Village as a Whole

Government-wide Financial Analysis

The condensed financial statements on page 8 and 9 present the net position of the Village and changes in net position. These statements are presented with comparisons to 2023. Net position may serve over time as a useful indicator of a government's financial position. In 2024, the Village's assets exceeded liabilities by \$70,384,830 as compared to having assets in excess of liabilities of \$62,218,129 in 2023.

The largest portion of the Village's 2024 net position (73%, compared to 72% for 2023) reflects the Village's investment in capital assets less any outstanding related debt used to acquire those assets. The Village uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net position of approximately \$18,000,000 (\$16,000,000 for 2023) is in the category of unrestricted net assets which may be used to meet the Village's ongoing obligations to citizens and creditors. This represents 25% and 26% of total net position each year, respectively.

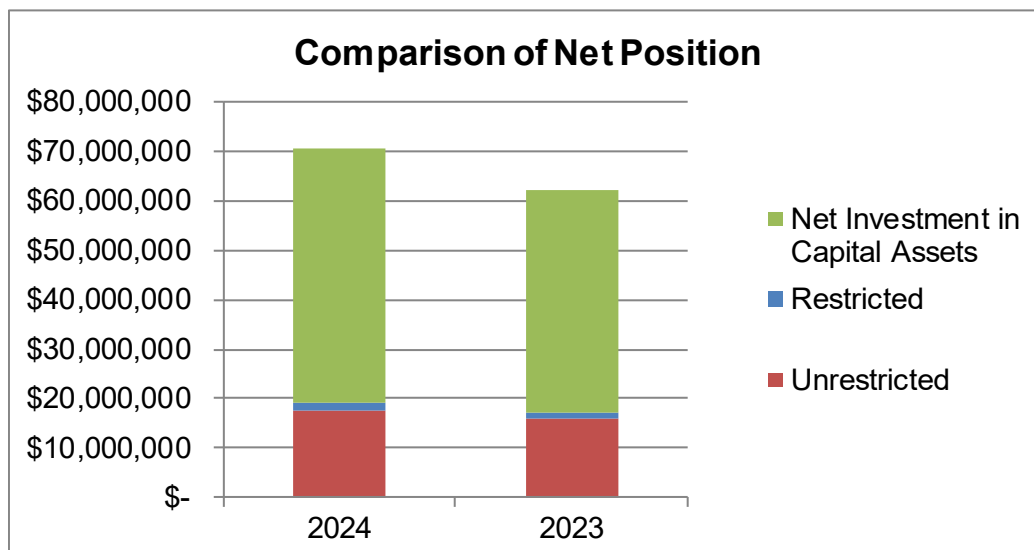
In 2024 and 2023, restricted net position was 2% of the total.



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

The Village as a Whole (continued)

Government-wide Financial Analysis (continued)



**VILLAGE OF SOMERS
STATEMENT OF NET POSITION
December 31, 2024**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 30,444,252	\$ 27,283,905	\$ 15,544,274	\$ 17,737,929	\$ 45,988,526	\$ 45,021,834
Capital assets	17,649,352	17,296,043	66,209,678	63,454,172	83,859,030	80,750,215
Total Assets	48,093,604	44,579,948	81,753,952	81,192,101	129,847,556	125,772,049
Deferred outflows of resources	2,087,693	2,990,769	319,686	431,625	2,407,379	3,422,394
Long-term liabilities outstanding	29,789,709	34,674,653	12,265,960	13,913,606	42,055,669	48,588,259
Other liabilities	4,908,679	4,163,428	2,328,651	2,382,306	7,237,330	6,545,734
Total liabilities	34,698,388	38,838,081	14,594,611	16,295,912	49,292,999	55,133,993
Deferred inflows of resources	12,336,824	11,537,241	240,282	305,080	12,577,106	11,842,321
Net position:						
Net investment in capital assets	16,179,834	14,295,468	35,077,386	30,661,225	51,257,220	44,956,693
Restricted	1,373,071	1,270,691	-	-	1,373,071	1,270,691
Unrestricted	(14,406,820)	(18,370,764)	32,161,359	34,361,509	17,754,539	15,990,745
Total Net Position	\$ 3,146,085	\$ (2,804,605)	\$ 67,238,745	\$ 65,022,734	\$ 70,384,830	\$ 62,218,129

**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, 2024**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 1,730,999	\$ 2,712,706	\$ 5,349,772	\$ 5,144,166	\$ 7,080,771	\$ 7,856,872
Operating grants and contributions	815,486	493,702	-	-	815,486	493,702
General revenues:						
Property taxes	3,957,085	3,793,312	-	-	3,957,085	3,793,312
Other taxes	4,584,411	4,022,095	-	-	4,584,411	4,022,095
Grants and contributions not restricted to specific programs	699,920	439,628	-	-	699,920	439,628
Other revenues	2,114,956	1,614,056	1,882,299	1,477,142	3,997,255	3,091,198
Total revenues	<u>13,902,857</u>	<u>13,075,499</u>	<u>7,232,071</u>	<u>6,621,308</u>	<u>21,134,928</u>	<u>19,696,807</u>
Expenses:						
General government	1,885,952	1,658,593	-	-	1,885,952	1,658,593
Public safety	4,432,887	3,934,989	-	-	4,432,887	3,934,989
Public works	1,099,756	1,001,475	-	-	1,099,756	1,001,475
Solid waste collection	815,630	790,261	-	-	815,630	790,261
Leisure activities	39,343	78,580	-	-	39,343	78,580
Conservation and development	456,943	826,826	-	-	456,943	826,826
Interest on long-term debt	663,267	693,928	-	-	663,267	693,928
Sewer	-	-	2,942,797	2,775,801	2,942,797	2,775,801
Water	-	-	1,562,343	1,410,260	1,562,343	1,410,260
Total expenses	<u>9,393,777</u>	<u>8,984,652</u>	<u>4,505,140</u>	<u>4,186,061</u>	<u>13,898,917</u>	<u>13,170,713</u>
Excess (deficiency) of revenues over expenditures	4,509,080	4,090,846	2,726,931	2,435,247	7,236,011	6,526,093
Contributions and transfers	<u>1,441,610</u>	<u>1,107,098</u>	<u>(510,920)</u>	<u>(31,212)</u>	<u>930,690</u>	<u>1,075,886</u>
Increase (decrease) in net position	5,950,690	5,197,944	2,216,011	2,404,035	8,166,701	7,601,979
Net position - beginning of year	<u>(2,804,605)</u>	<u>(8,002,549)</u>	<u>65,022,734</u>	<u>62,618,699</u>	<u>62,218,129</u>	<u>54,616,150</u>
Net position - end of year	<u>\$ 3,146,085</u>	<u>\$ (2,804,605)</u>	<u>\$ 67,238,745</u>	<u>\$ 65,022,734</u>	<u>\$ 70,384,830</u>	<u>\$ 62,218,129</u>

Revenues:

Total revenues for the Village increased by \$1,438,121 due to continued property tax increases during the year and developer contributions.

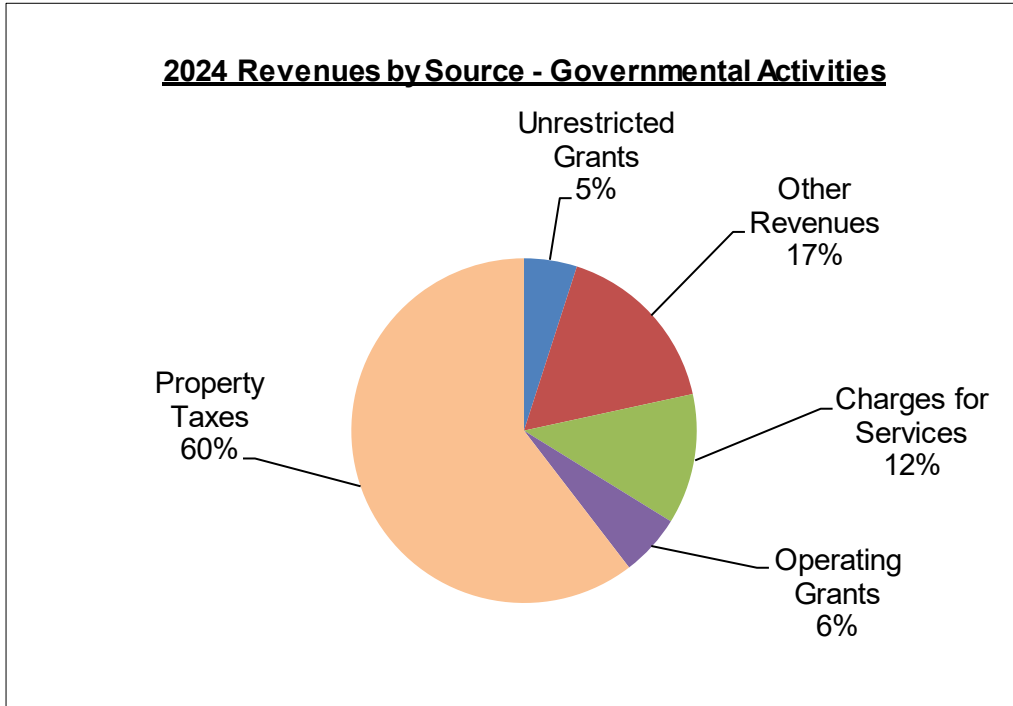
Expenditures:

Expenditures increased by \$728,204 for the Village. This is due to general inflation and increased cost of labor, materials, and other services purchased by the Village.

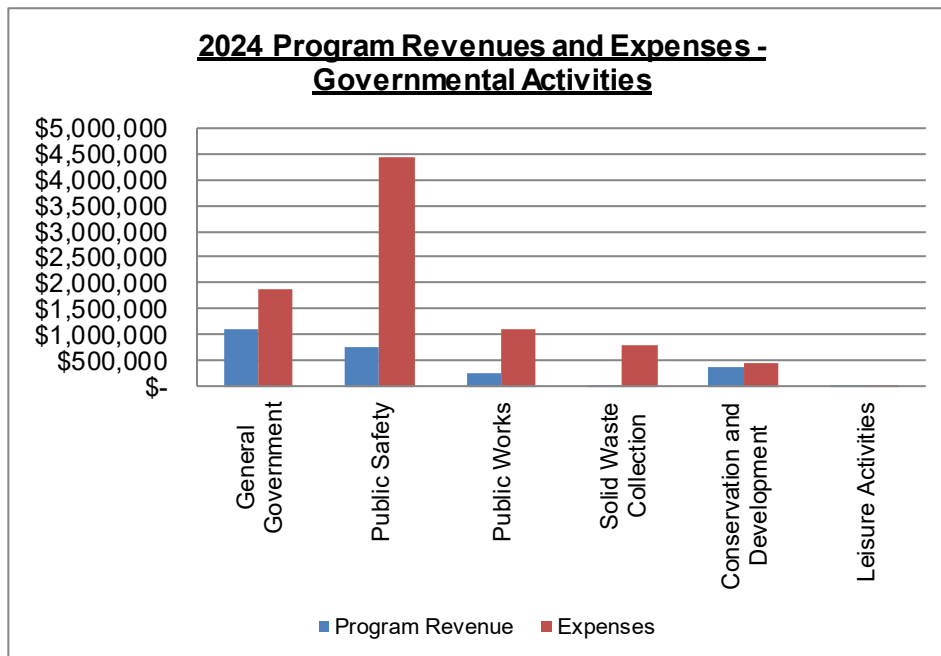
**VILLAGE OF SOMERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES

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



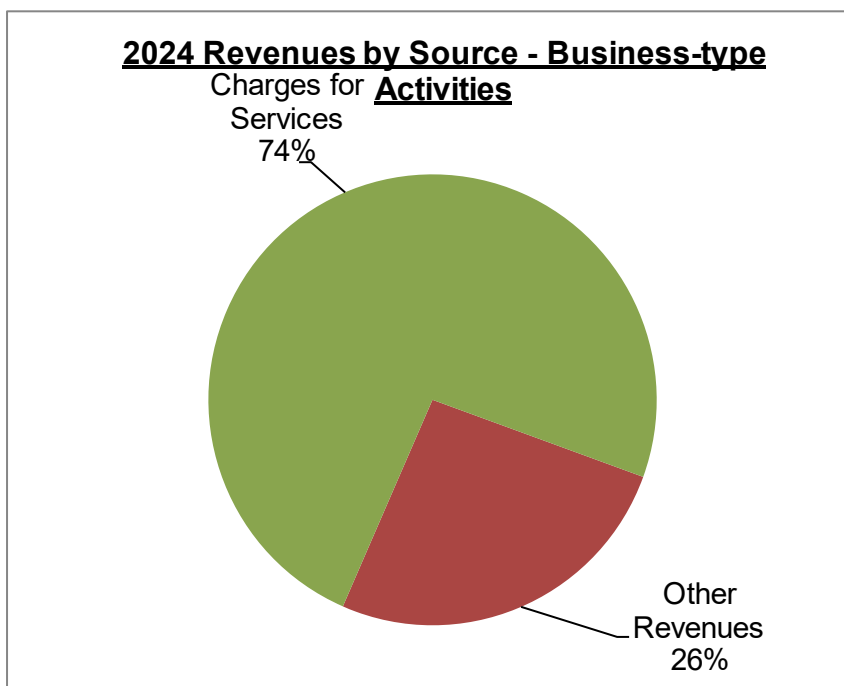
The following chart shows the portion of expenses by function that is covered by program revenues.



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

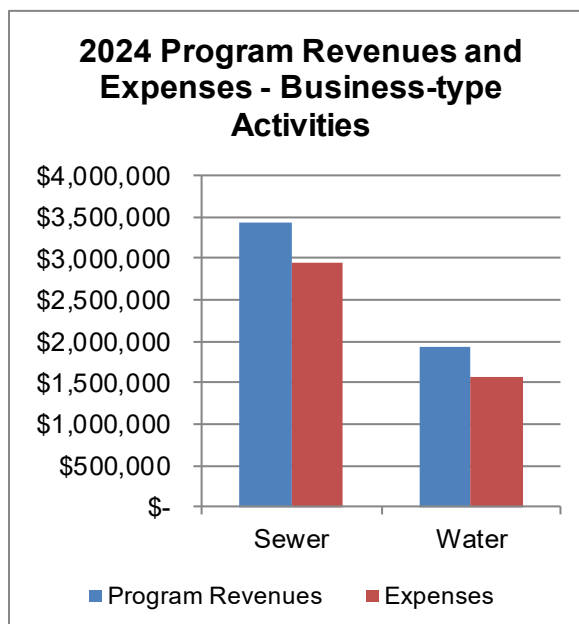
REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES

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



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.



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

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 2024, the Village Board continued to follow policies that cover the areas of debt and capitalization. The Village adopted a Utility study in 2020. The Village is also updating its 10-year Capital Improvement Plan, and long-range Financial Management Plan. The plans are expected to be completed in the fall of 2025.

General Fund

The General Fund closed out in 2024 with an increase of \$814,561, after transfers of \$316,146 to the capital projects fund and \$16,227 to the Utility Fund. The Unrestricted General Fund balance of \$6.7 million is 99% 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>2022</u>	<u>2023</u>	<u>2024</u>
General fund	<u>\$ 5,105,730</u>	<u>\$ 5,838,139</u>	<u>\$ 6,652,700</u>

Special Revenue Funds

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

Since being involved with the Root-Pike Watershed Initiative Network, 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.

ARPA funding of \$19,606 remained unspent at year-end. In accordance with grant requirements, this remaining balance has been committed as of December 31, 2024 for future projects. The fund will be closed once all remaining ARPA funding has been spent.

Capital Projects Fund

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

Debt Service Fund

The sole purpose is for servicing governmental debt. All of the Tax Incremental Districts' debt is included in the Debt Service. The fund balance closed out the year with \$10,934,766 compared to \$8,183,193 in 2023. As of December 31, 2024, the fund balance includes \$10,801,519 collected and held for repayment of debt associated with the Village's TIF Districts.

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

The Village's Funds (continued)

Tax Incremental Districts

TIF District deficits are anticipated to be funded with future incremental taxes levied over the life of the district. All of the Village's TIF Districts are within the 15-year expenditure period, during which projects are being financed with General Obligation Debt issued by the Village, or by developer contributions or other sources as determined by the Board. As of December 31, 2024, the incremental value of all the Village's TIDs since the respective base years is \$355,914,500.

Tax Incremental District #1

Created in 2015 north of 39th Street and East of 88th Avenue, this 300-acre industrial district with a base value of \$476,300 has a fund balance of \$1,024,824, not including \$3,848,815 restricted for debt service. The District will expire in 2035. Estimated future costs of \$14,168,058 are expected to result in future revenues of \$15,685,289. In 2024, net new construction in the TID increased the Village's equalized value by an estimated \$27,000,000.

Tax Incremental District #2

Created in 2015 along State Highway 31 north of County Highway S, this 193.92-acre mixed use district with a base value of \$5,810,800 has a fund deficit of \$6,486, not including \$3,870,536 restricted for debt service. The District will expire in 2035. Estimated future costs of \$6,745,145 are expected to result in future revenues of \$7,652,279. In 2024, net new construction in the TID increased the Village's equalized value by an estimated \$2,511,400.

Tax Incremental District #3

Created in 2018 near I-94 and Highway 142, this 388.42-acre mixed use district with a base value of \$1,779,800 has a fund deficit of \$429,653, not including \$732,228 restricted for debt service. The District will expire in 2038. Estimated future costs of \$24,608,808 are expected to result in future revenues of \$33,490,933. In 2024, net new construction in the TID increased the Village's equalized value by an estimated \$64,717,100.

Tax Incremental District #4

Created in 2018 near County Highway E and State Highway 31, this 150.10-acre mixed use district with a base value of \$1,104,101 has a fund deficit of \$1,005,414, not including \$2,010,623 restricted for debt service. The District will expire in 2038. Estimated future costs of \$6,922,325 are expected to result in future revenues of \$18,699,752. In 2024, net new construction in the TID increased the Village's equalized value by an estimated \$475,000.

Tax Incremental District #5

Created in 2018 along State Highway 31 around County Highway L, this 536.47-acre mixed use district with a base value of \$1,148,400 has a fund deficit of \$171,423, not including \$19,522 restricted for debt service. The District will expire in 2038. Estimated future costs of \$14,294,538 are expected to result in future revenues of \$25,542,012. In 2024, net new construction in the TID increased the Village's equalized value by an estimated \$10,400,000.

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

The Village's Funds (continued)

Tax Incremental District #6

Created in 2018 along County Highway E and I-94, this 663.34-acre mixed use district with a base value of \$2,894,000 has a fund balance of \$147,696, not including \$98,948 restricted for debt service. The District will expire in 2038. Estimated future costs of \$13,166,928 are expected to result in future revenues of \$20,060,400. In 2024, net new construction in the TID increased the Village's equalized value by an estimated \$4,075,000, and the TID financed \$51,595 of infrastructure improvements which were contributed to the Water Fund.

Tax Incremental District #7

Created in 2018 along County Highway KR and I-94, this 1,678.55-acre mixed use district with a base value of \$8,364,800 has a fund deficit of \$23,270, not including \$146,928 restricted for debt service. The District will expire in 2038. Estimated future costs of \$3,956 are expected to result in future revenues of \$27,799. In 2024, net new construction in the TID increased the Village's equalized value by an estimated \$12,500.

Tax Incremental District #8

Created in 2018 along County Highway E and I-94, this 220.76-acre mixed use district with a base value of \$362,100 has a fund deficit of \$281,587, not including \$3,207 restricted for debt service. The District will expire in 2038. Estimated future costs of \$10,830,964 are expected to result in future revenues of \$13,173,223. In 2024, there was no net new construction in the TID, but the TID financed \$24,065 of infrastructure improvements which were contributed to the Water Fund.

Tax Incremental District #9

Created in 2018 near the lakefront on the norther part of State Highway 32, this 6.23-acre mixed use district with a base value of \$2,081,700 has a fund deficit of \$20,881, not including \$12,588 restricted for debt service. The District will expire in 2038. Estimated future costs of \$1,207,113 are expected to result in future revenues of \$2,646,670. In 2024, there was no net new construction in the TID.

Tax Incremental District #10

Created in 2018 near 11th Place and State Highway 32, this 12.47-acre mixed use district with a base value of \$3,219,200 has a fund deficit of \$2,138, not including \$54,941 restricted for debt service. The District was set to expire in 2038, but will be terminated in April 2025. In 2024, there was no net new construction in the TID.

Tax Incremental District #11

Created in 2018 near County Highways S and H, this 66.49-acre mixed use district with a base value of \$195,100 has a fund deficit of \$20,863, not including \$3,183 restricted for debt service. The District will expire in 2038. Estimated future costs of \$8,279,032 are expected to result in future revenues of \$10,541,472. In 2024, there was no net new construction in the TID.

Enterprise Funds

Somers Water Utility, Utility District #1, KR Sewer Utility, and the Storm Water 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.

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

The Village's Funds (continued)

Somers Water Utility Fund

The Water Utility closed 2024 with an increase in net position of \$2,372,955 due to \$2.1 million of new water mains, which were paid for by developers, \$413,000 of ARPA funding for a meter replacement project, and operating income of \$486,376. Management, in concert with consulting engineers and Board oversight, continues to develop Village-wide plans that address new development in areas to be serviced by municipal water.

Sewer Utility District #1 Fund

Overall, the Sewer Utility District #1 closed out the year with a decrease in net position of \$283,239. Total net operating income for the Sewer Utility District #1 in 2024 was \$545,645. Additionally, developers paid connection fees and made capital contributions of \$477,643 during the year. This fund has an unrestricted net position at year end 2024 of \$33.1 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, including lift stations and sanitary sewer lines. In 2020, the Village received a \$5 million loan for rehabilitation/replacement of sewer mains and laterals in the Sheridan Road Corridor. Currently, the District is inspecting and evaluating vitrified clay mains for rehabilitation. The rehabilitation work will reduce inflow/infiltration (I&I), decrease pumping costs, and reduce treatment fees. Additionally, the Village is cleaning the Pike Creek Lift Station to improve efficiency and enable the Pike Creek and 45th Avenue lift stations to operate simultaneously. Overall, the Utility has seen decrease in I&I and water lateral leaks due to the projects and regular maintenance.

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 2024, the Utility experienced an operating loss of \$123,472.

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.

Storm Water Fund

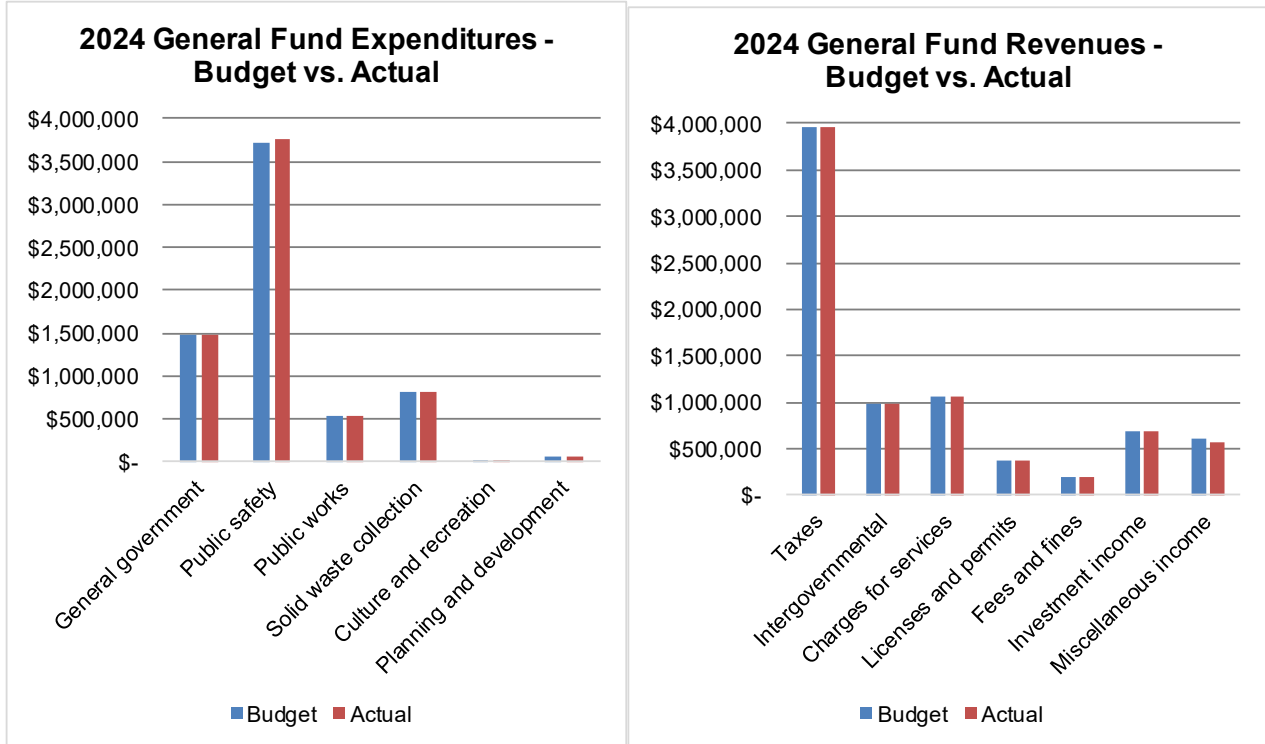
The Storm Water Utility closed 2024 with an increase in net position of \$241,418 due to current year operating income. Management, in concert with consulting engineers and Board oversight, continues to develop Village-wide plans that address new development in areas to be serviced by municipal water.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village General Fund has fund balance of \$6,652,700 which is an \$814,561 increase from 2023.

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



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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of December 2024, the Village had \$83,859,030 invested in capital assets including buildings, parks, vehicles, equipment, and infrastructure. See Note IV C. on page 60 for more detail on capital assets. A summary report of capital assets is as follows:

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Intangible Assets	\$ 60,015	\$ 60,015	\$ 60,393	\$ 60,393	\$ 120,408	\$ 120,408
Construction in Progress	-	-	536,559	444,106	536,559	444,106
Land	1,143,695	1,143,695	4,000	-	1,147,695	1,143,695
Land Improvements	4,928,577	4,928,577	-	-	4,928,577	4,928,577
Utility Plant in Service	-	-	79,874,785	75,688,751	79,874,785	75,688,751
Buildings	6,592,863	6,090,534	-	-	6,592,863	6,090,534
Machinery & Equipment	7,824,970	7,085,763	3,457,236	3,356,468	11,282,206	10,442,231
Infrastructure	11,981,489	12,481,870	-	-	11,981,489	12,481,870
Total Capital Assets	32,531,609	31,790,454	83,932,973	79,549,718	116,464,582	111,340,172
Less: Accumulated Depreciation	(14,882,257)	(14,494,413)	(17,723,295)	(16,099,547)	(32,605,552)	(30,593,960)
Total Net Capital Assets	\$ 17,649,352	\$ 17,296,041	\$ 66,209,678	\$ 63,450,171	\$ 83,859,030	\$ 80,746,212

Debt

At the end of the year, the Village's outstanding general obligation (GO) debt and Revenue Bonds totaled \$31,598,234. See Note IV E. on page 63 for more detail on debt.

Bonded Debt Outstanding 12/31/23	\$ 34,967,712
Bonded Debt Issued	-
Bonded Principal Retired	(3,369,478)
Bonded Debt Outstanding 12/31/24	<u>\$ 31,598,234</u>
Breakdown of Outstanding Bonded Debt:	
Revenue Bonds	\$ 14,268,234
General Obligation Debt	17,330,000
Bonded Debt Outstanding 12/31/24	<u>\$ 31,598,234</u>

Management has calculated the net pension expense and asset as required by the Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions*, as well as the expenses and liabilities for other post-employment benefits required by GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Please see Note V A. on page 73 and Note V B. on page 79 for further information on this calculation.

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

ECONOMIC FACTORS AND DEVELOPMENT PROJECT UPDATES

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

Two Tax Incremental Financing Districts (TIDs) were created in 2015 followed by nine more TIDs in 2018.

The first two TIDs have performed well and are now home to a successful Industrial Park in TID 1 and a thriving commercial center in TID 2 anchored by a Walmart Supercenter and Sam's Club. It is home to a Festival Foods grocery store and a Kwik Trip convenience store, as well as the Somers Market Square Apartments. The properties lining Green Bay Road and Highway 142 are now all occupied by businesses. Only a few parcels remain available for future development within the TID. TID 3 continues to make progress. In the summer of 2022, TID 3 and the Village became home to the "World's Largest Kwik Trip". This site is a 13,250 square foot travel center, with a car wash, outside dining area, dog walking area, and 105 truck parking lot area. In 2022, HSA's Somers Highland Commerce center broke ground. This 918,844 square foot site received occupancy in 2024. In 2023, a development agreement was finalized with Stream Realty to bring three industrial/warehouse buildings into TID 3. The development was approved. The Phase I Plan will include a 612,252 square foot building, and Phase II will include a 154,800 square foot, and 167,700 square foot buildings.

TID 4 is home to the Hawthorn Apartments complex. This project was completed in 2021 and provided an additional 241 units of market rate apartments. The WVRC Emergency Vet Clinic was also completed and occupied in 2021. Somers Creek, a 69-unit single-family home subdivision, was approved and will be across the street.

TID 5 saw its first development take shape in 2021. The Village entered into a development agreement with SCS Pike Creek, LLC, to bring 338 units of market rate apartments to the Village. The original 88-acre parcel is located at the Northwest corner of STH 31 and CTH L. Approximately 64 acres will be home to the multi-family project, and the remaining acreage will be retained by the original owner for a future commercial project. This project broke ground in 2022 and major improvements were made to CTH L to prepare for the additional traffic. Phase I of the project was completed, and units are fully occupied. Currently, phase II is under construction.

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

ECONOMIC FACTORS AND DEVELOPMENT PROJECT UPDATES (continued)

TID 6 is home to the Pritzker Military Museum & Library, an architectural gem designed by Elmnt Jahn. Built in 2022, the property will include community green space and the world's only Cold War Memorial. The project brought an estimated \$14.5 million dollars for sewer and water infrastructure to the Village. Infrastructure work began in 2021 and was substantially completed in 2022, opening over 1,000 acres for potential future development. In 2023, the Pritzker Military Archive Center received occupancy and a "soft opening was held". Along the west side of the property, a Firearms Education and Training Center, was built in 2024.

In 2021, Becknell Industries and the Village entered into an agreement to bring a Class "A" warehousing/industrial building onto approximately 50 acres. Their 795,000 square foot building was completed in 2023.

Additional development has also taken place outside of the Village's TIF Districts. Two four-unit apartment buildings broke ground along CTH H in 2022 and were completed in 2023. That same year, the Village Board approved a 17,000 square foot facilities operations building at Carthage College. This project broke ground in 2022 and was opened in 2023.

The Paris Intergovernmental Agreement, finalized in 2017, is a historic agreement between the Village of Somers, City of Kenosha, and Town of Paris. The agreement opened 2,000 acres of land for development which is estimated at a potential improved value of \$2 billion. In 2021, the Village approved its first attachment of land from the Town of Paris to the Village under said agreement. In 2023, the Village approved a Developer's Agreement with Flint Development to bring a "Class A" warehousing/ industrial project to approximately 130 acres. The entire project has brought two building with the possibility of a third on the property. Buildings I and II broke ground in 2022. Building I, consisting of 734,751 square foot was completed in 2023. In October of 2022, a new 13,000 square foot Bobcat Plus dealership was approved and broke ground in 2023.

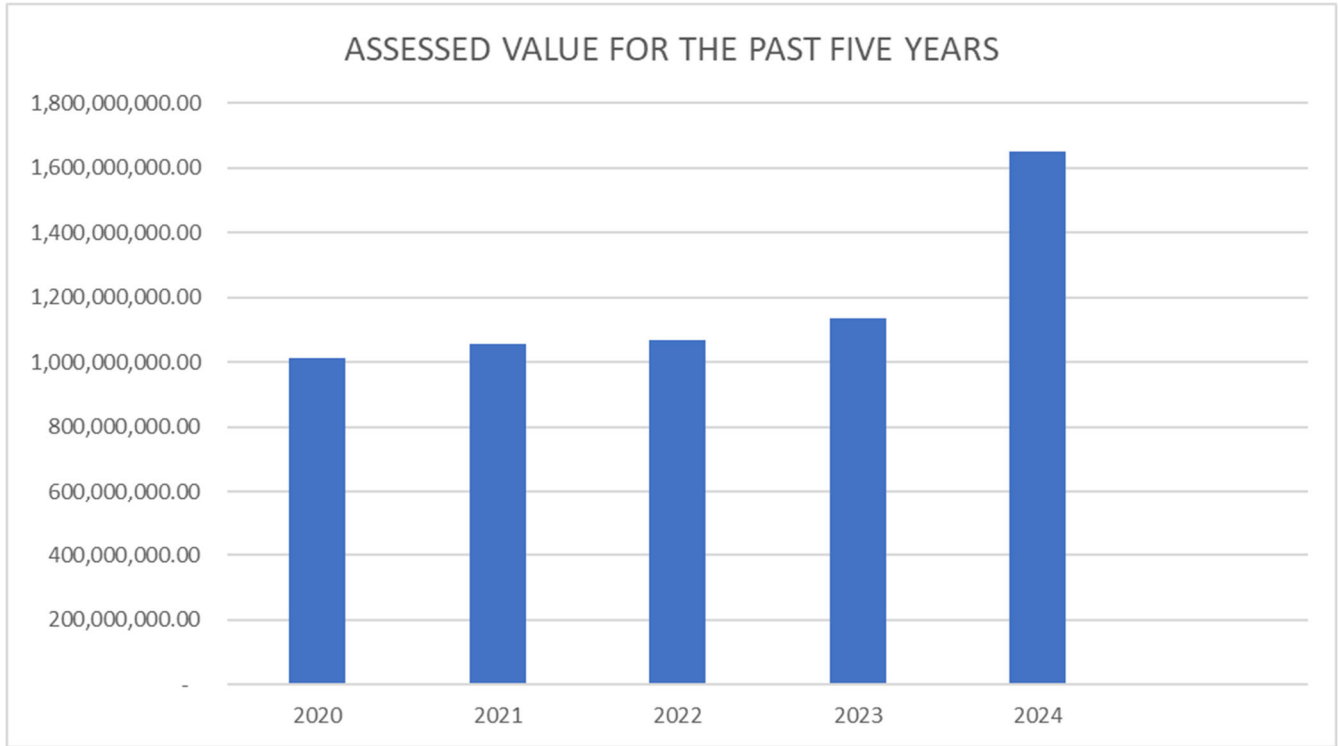
RATING

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

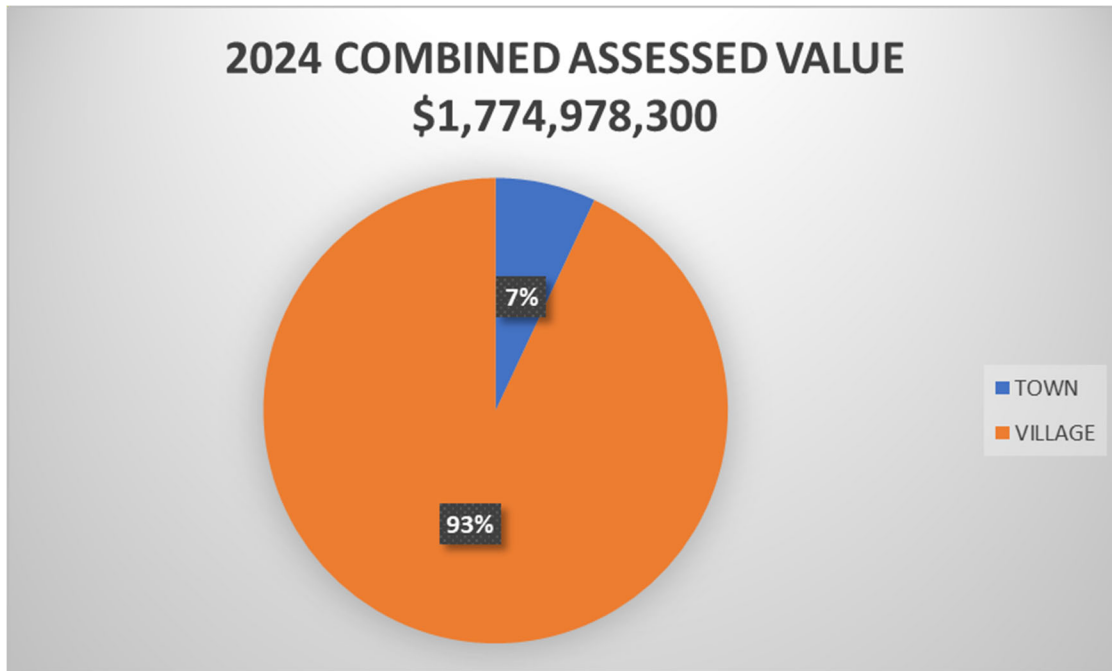
COMBINED ASSESSED VALUE TRENDS



The Village and Town completed a revaluation in 2024.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES



CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

Jim Hurley
Village Administrator

VILLAGE OF SOMERS
STATEMENT OF NET POSITION
December 31, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 14,911,328	\$ 7,632,076	\$ 22,543,404
Investments	5,406,909	-	5,406,909
Receivables			
Property taxes	7,897,761	-	7,897,761
Special assessments - current	-	2,349,419	2,349,419
Leases - current	6,510	-	6,510
Other	509,861	1,281,876	1,791,737
Prepaid expenses	20,269	7,340	27,609
Restricted cash and cash equivalents	472,107	157,791	629,898
Restricted investments	344,945	80,467	425,412
Internal balances	(569,251)	569,251	-
Special assessments - noncurrent	646,908	3,466,054	4,112,962
Leases - noncurrent	796,905	-	796,905
Capital assets			
Land and construction in progress	1,143,695	540,559	1,684,254
Other capital assets, net of depreciation	16,505,657	65,669,119	82,174,776
Total capital assets	<u>17,649,352</u>	<u>66,209,678</u>	<u>83,859,030</u>
 Total assets	 <u>48,093,604</u>	 <u>81,753,952</u>	 <u>129,847,556</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	1,984,904	284,521	2,269,425
Related to post-employment benefits	102,789	35,165	137,954
Total deferred outflows of resources	<u>2,087,693</u>	<u>319,686</u>	<u>2,407,379</u>
LIABILITIES			
Accounts payable and accrued expenses	1,217,948	677,412	1,895,360
Due to other governments	7,386	-	7,386
Deposits & trust accounts	87,887	-	87,887
Accrued interest	131,280	55,275	186,555
Unearned revenues	19,606	-	19,606
Long-term liabilities			
Net pension liability	218,993	31,793	250,786
Other post-employment benefits	1,750,736	258,960	2,009,696
Debt due within one year	1,844,722	1,595,964	3,440,686
Debt due in more than one year	29,419,830	11,975,207	41,395,037
Total liabilities	<u>34,698,388</u>	<u>14,594,611</u>	<u>49,292,999</u>
DEFERRED INFLOWS OF RESOURCES			
Related to property tax levy	10,515,350	-	10,515,350
Related to leases	367,129	-	367,129
Related to pension	1,183,980	171,892	1,355,872
Related to post-employment benefits	201,570	68,390	269,960
Deferred gain on refunding	68,795	-	68,795
Total deferred inflows of resources	<u>12,336,824</u>	<u>240,282</u>	<u>12,577,106</u>
NET POSITION			
Net investment in capital assets	16,179,834	35,077,386	51,257,220
Restricted	1,373,071	-	1,373,071
Unassigned (deficit)	(14,406,820)	32,161,359	17,754,539
Total net position	<u>\$ 3,146,085</u>	<u>\$ 67,238,745</u>	<u>\$ 70,384,830</u>

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

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	\$ 1,885,952	\$ 579,768	\$ 532,190	\$ -	\$ (773,994)	\$ -	\$ (773,994)
Public safety	4,432,887	709,730	57,812	-	(3,665,345)	-	(3,665,345)
Public works	1,099,756	59,106	188,374	-	(852,276)	-	(852,276)
Solid waste collection	815,630	130	37,110	-	(778,390)	-	(778,390)
Leisure activities	39,343	11,720	-	-	(27,623)	-	(27,623)
Conservation and development	456,943	370,545	-	-	(86,398)	-	(86,398)
Interest on long-term debt	663,267	-	-	-	(663,267)	-	(663,267)
Total governmental activities	<u>9,393,777</u>	<u>1,730,999</u>	<u>815,486</u>	<u>-</u>	<u>(6,847,292)</u>	<u>-</u>	<u>(6,847,292)</u>
Business-type activities							
Sewer	2,942,797	3,419,115	-	-	-	476,318	476,318
Water	1,562,343	1,930,657	-	-	-	368,314	368,314
Total business-type activities	<u>4,505,140</u>	<u>5,349,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>844,632</u>	<u>844,632</u>
Total primary government	<u>\$ 13,898,917</u>	<u>\$ 7,080,771</u>	<u>\$ 815,486</u>	<u>\$ -</u>	<u>(6,847,292)</u>	<u>844,632</u>	<u>(6,002,660)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					3,957,085	-	3,957,085
Property taxes, levied for debt service					4,584,411	-	4,584,411
Grants and contributions not restricted to specific programs					699,920	-	699,920
Unrestricted investment earnings					1,531,103	146,513	1,677,616
Miscellaneous					821,148	1,735,786	2,556,934
Loss on disposal of assets					(237,295)	-	(237,295)
Total general revenues					<u>11,356,372</u>	<u>1,882,299</u>	<u>13,238,671</u>
Contributions & transfers:							
Capital contributed from developers					-	930,690	930,690
Other transfers					1,441,610	(1,441,610)	-
Total contributions & transfers					<u>1,441,610</u>	<u>(510,920)</u>	<u>930,690</u>
Change in net position					<u>5,950,690</u>	<u>2,216,011</u>	<u>8,166,701</u>
Net position at beginning of year					<u>(2,804,605)</u>	<u>65,022,734</u>	<u>62,218,129</u>
Total net position at end of year					<u>\$ 3,146,085</u>	<u>\$ 67,238,745</u>	<u>\$ 70,384,830</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024**

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds	2023 Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 5,326,725	\$ 8,194,580	\$ 366,770	\$ 1,023,253	\$ 14,911,328	\$ 14,722,590
Investments	1,827,244	2,071,344	1,066,390	441,931	5,406,909	3,248,695
Receivables						
Property taxes	7,897,761	5,658,050	-	-	13,555,811	10,257,401
Ambulance fees	366,468	-	-	-	366,468	263,319
Miscellaneous	109,789	-	-	33,604	143,393	166,657
Due from other funds	1,959,041	-	-	-	1,959,041	1,939,818
Prepaid expenses	20,269	-	-	-	20,269	11,245
Restricted cash	25,451	328,148	-	118,508	472,107	508,324
Restricted investments	-	344,945	-	-	344,945	1,476,584
Deferred special assessments	-	-	-	646,908	646,908	680,274
TOTAL ASSETS	\$ 17,532,748	\$ 16,597,067	\$ 1,433,160	\$ 2,264,204	\$ 37,827,179	\$ 33,274,907
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 276,443	\$ 4,250	\$ 638,726	\$ 203,594	\$ 1,123,013	\$ 658,073
Accrued compensation	94,931	-	-	-	94,931	78,380
Developer deposits	-	-	-	25,000	25,000	25,000
Due to other governments	7,386	-	-	-	7,386	7,386
Special deposits & trust accounts	62,887	-	-	-	62,887	61,594
Due to other funds	6,232,477	-	-	1,953,865	8,186,342	6,635,669
Unearned revenues	-	-	-	19,606	19,606	551,797
TOTAL LIABILITIES	6,674,124	4,250	638,726	2,202,065	9,519,165	8,017,899
DEFERRED INFLOWS OF RESOURCES						
Deferred property tax levy	4,205,924	5,658,051	-	-	9,863,975	8,525,264
Special assessments	-	-	-	651,375	651,375	677,508
Other deferred revenue	-	-	-	-	-	22,576
TOTAL DEFERRED INFLOWS OF RESOURCES	4,205,924	5,658,051	-	651,375	10,515,350	9,225,348
FUND BALANCES						
Nonspendable						
Prepaid items	20,269	-	-	-	20,269	11,245
Restricted						
Tax incremental districts	-	-	-	1,173,112	1,173,112	1,076,749
Drainage fund	-	-	-	145,016	145,016	142,373
Park fund	-	-	-	54,943	54,943	51,569
Debt service	-	10,934,766	-	-	10,934,766	8,183,193
Assigned						
Fourth of July Parade	7,241	-	-	-	7,241	3,773
Capital projects	-	-	794,434	-	794,434	2,312,668
Subsequent year expenditures	1,138,067	-	-	-	1,138,067	525,848
Unassigned	5,487,123	-	-	(1,962,307)	3,524,816	3,724,242
TOTAL FUND BALANCES	6,652,700	10,934,766	794,434	(589,236)	17,792,664	16,031,660
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 17,532,748	\$ 16,597,067	\$ 1,433,160	\$ 2,264,204	\$ 37,827,179	\$ 33,274,907

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, 2024

Fund balance - total governmental funds	\$ 17,792,664
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	17,649,350
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	
Leases receivable	803,415
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	1,984,904
Deferred inflows related to pensions	(1,183,980)
Deferred inflows related to leases	(367,129)
Deferred outflows related to other postemployment benefits	102,789
Deferred inflows related to other postemployment benefits	(201,570)
	<u>335,014</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(30,523,265)
Premium on debt	(483,175)
Compensated absences	(258,114)
Net pension liability	(218,993)
Other postemployment benefit	(1,750,736)
Deferred gain on refunding	(68,795)
Accrued interest on long-term obligations	(131,280)
	<u>(33,434,358)</u>
Net position	<u>\$ 3,146,085</u>

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds	2023 Total Governmental Funds
REVENUES						
Taxes	\$ 3,957,085	\$ 4,584,411	\$ -	\$ -	\$ 8,541,496	\$ 7,815,407
Intergovernmental revenues	983,216	-	-	532,190	1,515,406	933,330
Charges for services	1,068,576	-	-	100,257	1,168,833	1,398,092
Licenses and permits	372,846	-	-	-	372,846	1,152,500
Fees and fines	189,321	-	-	-	189,321	162,115
Investment income	692,675	686,237	43,371	108,820	1,531,103	1,149,268
Miscellaneous income	577,724	-	-	-	577,724	1,181,249
Total Revenues	<u>7,841,443</u>	<u>5,270,648</u>	<u>43,371</u>	<u>741,267</u>	<u>13,896,729</u>	<u>13,791,961</u>
EXPENDITURES						
Current:						
General government	1,489,556	-	-	-	1,489,556	1,549,493
Public safety	3,768,175	-	-	-	3,768,175	3,423,705
Public works	545,525	-	-	-	545,525	509,634
Solid waste collection	814,639	-	-	-	814,639	790,212
Leisure activities	10,729	-	-	-	10,729	18,148
Conservation and development	65,885	-	-	2,386,650	2,452,535	1,985,520
Capital outlay	-	-	1,996,759	-	1,996,759	2,209,607
Debt service:						
Principal retirement	-	1,810,032	-	-	1,810,032	1,944,598
Interest and other charges	-	687,077	-	2,308	689,385	689,336
Total Expenditures	<u>6,694,509</u>	<u>2,497,109</u>	<u>1,996,759</u>	<u>2,388,958</u>	<u>13,577,335</u>	<u>13,120,253</u>
Excess (deficiency) of revenues over expenditures	1,146,934	2,773,539	(1,953,388)	(1,647,691)	319,394	671,708
OTHER FINANCING SOURCES (USES)						
Proceeds from long-term debt	-	-	-	-	-	3,932,319
Premium on issuance of debt	-	-	-	-	-	227,449
Capital contributions to utility	(16,227)	-	-	(75,630)	(91,857)	-
Transfers from other funds	-	-	435,154	1,968,615	2,403,769	3,051,252
Transfers to other funds	(316,146)	(21,966)	-	(532,190)	(870,302)	(1,913,162)
Total Other Financing Sources (Uses)	<u>(332,373)</u>	<u>(21,966)</u>	<u>435,154</u>	<u>1,360,795</u>	<u>1,441,610</u>	<u>5,297,858</u>
Net change in fund balance	814,561	2,751,573	(1,518,234)	(286,896)	1,761,004	5,969,566
FUND BALANCES - Beginning of Year	5,838,139	8,183,193	2,312,668	(302,340)	16,031,660	10,062,094
FUND BALANCES - END OF YEAR	<u>\$ 6,652,700</u>	<u>\$ 10,934,766</u>	<u>\$ 794,434</u>	<u>\$ (589,236)</u>	<u>\$ 17,792,664</u>	<u>\$ 16,031,660</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, 2024

Net change in fund balances - total governmental funds	\$	1,761,004
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of 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		1,639,605
Depreciation expense reported in the Statement of Activities		(1,091,702)
		547,903

Governmental funds do not report lease revenues and expenditures. Those amounts are recognized at the government-wide level.		210,724
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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.

Amortization of premium on debt issued		45,174
Principal repaid		3,818,261
		3,863,435

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

Change in accrued interest on long-term debt		26,120
Change in compensated absences		(21,421)
Pension expense		81,770
Other postemployment benefits expense		(269,075)
Loss on disposal of fixed assets		(237,295)
		(419,901)

Change in net position of governmental activities	\$	5,950,690
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VILLAGE OF SOMERS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2024

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 3,943,925	\$ 3,966,597	\$ 3,957,085	\$ (9,512)
Intergovernmental revenues	971,176	973,704	983,216	9,512
Charges for services	781,595	1,068,576	1,068,576	-
Licenses and permits	379,440	372,846	372,846	-
Fees and fines	110,050	189,321	189,321	-
Investment income	401,000	687,675	692,675	5,000
Miscellaneous income	164,510	606,516	577,724	(28,792)
Total revenues	<u>6,751,696</u>	<u>7,865,235</u>	<u>7,841,443</u>	<u>(23,792)</u>
Expenditures				
Current:				
General government	1,363,540	1,480,122	1,489,556	(9,434)
Public safety	3,787,732	3,726,410	3,768,175	(41,765)
Public works	564,489	545,525	545,525	-
Solid waste collection	912,237	814,639	814,639	-
Culture and recreation	13,147	10,729	10,729	-
Planning and development	64,786	61,885	65,885	(4,000)
Capital outlay	41,765	41,765	-	41,765
Contingency reserve	4,000	4,000	-	4,000
Total expenditures	<u>6,751,696</u>	<u>6,685,075</u>	<u>6,694,509</u>	<u>(9,434)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>1,180,160</u>	<u>1,146,934</u>	<u>(33,226)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(616,146)	(332,373)	283,773
Total other financing sources and uses	<u>-</u>	<u>(616,146)</u>	<u>(332,373)</u>	<u>283,773</u>
Net change in fund balance	-	564,014	814,561	250,547
Fund balance - beginning of year	<u>5,838,139</u>	<u>5,838,139</u>	<u>5,838,139</u>	<u>-</u>
Fund balance - end of year	<u>\$ 5,838,139</u>	<u>\$ 6,402,153</u>	<u>\$ 6,652,700</u>	<u>\$ 250,547</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2024**

	Business-Type Activities				
	KR Utility District	Utility District #1	Somers Water	Storm Water Utility (Non-major)	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 591,842	\$ 5,891,605	\$ 13,980	\$ 1,134,649	\$ 7,632,076
Accounts receivable	17,522	611,016	417,448	-	1,045,986
Tax levy receivable from General Fund	10,851	150,039	78,870	334,668	574,428
Other receivables	-	200,402	35,488	-	235,890
Special assessments - current	-	1,687,872	661,547	-	2,349,419
Due from other funds	29,242	-	-	-	29,242
Prepaid expenses	548	4,076	2,716	-	7,340
Restricted cash	-	83,735	74,056	-	157,791
Restricted investments	-	63,121	17,346	-	80,467
Total current assets	650,005	8,691,866	1,301,451	1,469,317	12,112,639
Noncurrent assets					
Capital Assets:					
Utility plant in service	7,138,767	39,856,812	32,738,529	144,677	79,878,785
Machinery and equipment	-	2,350,584	1,106,652	-	3,457,236
Construction in progress	-	1,771	415,003	119,785	536,559
Intangible assets	-	37,027	23,366	-	60,393
Accumulated depreciation	(1,280,067)	(11,330,015)	(5,107,425)	(5,788)	(17,723,295)
Non-Capital Assets:					
Due from other funds - noncurrent	236,183	-	-	-	236,183
Special assessments - noncurrent	-	1,899,475	1,317,962	-	3,217,437
Deferred special assessments	30,984	147,927	69,706	-	248,617
Total noncurrent assets	6,125,867	32,963,581	30,563,793	258,674	69,911,915
Total Assets	6,775,872	41,655,447	31,865,244	1,727,991	82,024,554
DEFERRED OUTFLOW OF RESOURCES					
Deferred outflows - pension	20,439	169,262	87,924	6,896	284,521
Deferred outflows - post-employment benefits	2,084	22,200	9,731	1,150	35,165
Total deferred outflows of resources	22,523	191,462	97,655	8,046	319,686
Total Assets and Deferred Outflows of Resources	\$ 6,798,395	\$ 41,846,909	\$ 31,962,899	\$ 1,736,037	\$ 82,344,240

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2024**

	Business-Type Activities				
	KR Utility District	Utility District #1	Somers Water	Storm Water Utility (Non-major)	Total
LIABILITIES					
Current liabilities					
Accounts payable	\$ 38,280	\$ 212,596	\$ 62,839	\$ 10,268	\$ 323,983
Wages payable	1,305	10,802	5,903	751	18,761
Due to other funds - current	-	-	34,419	-	34,419
Accrued interest	-	36,261	19,014	-	55,275
Other liabilities	-	-	-	334,668	334,668
Current portion of long-term debt payable	559	1,034,943	560,221	241	1,595,964
Total current liabilities	<u>40,144</u>	<u>1,294,602</u>	<u>682,396</u>	<u>345,928</u>	<u>2,363,070</u>
Noncurrent liabilities					
Due to other funds - noncurrent	-	-	236,183	-	236,183
Net pension liability	2,297	18,888	9,857	751	31,793
Other post-employment benefits	34,325	123,538	102,920	(1,823)	258,960
General obligation debt payable	2,732	7,138,741	4,832,558	1,176	11,975,207
Total noncurrent liabilities	<u>39,354</u>	<u>7,281,167</u>	<u>5,181,518</u>	<u>104</u>	<u>12,502,143</u>
Total Liabilities	<u>79,498</u>	<u>8,575,769</u>	<u>5,863,914</u>	<u>346,032</u>	<u>14,865,213</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pension	12,420	102,118	53,291	4,063	171,892
Deferred inflows - post-employment benefits	4,049	43,194	18,897	2,250	68,390
Total deferred inflows of resources	<u>16,469</u>	<u>145,312</u>	<u>72,188</u>	<u>6,313</u>	<u>240,282</u>
Total liabilities and deferred inflows of resources	<u>95,967</u>	<u>8,721,081</u>	<u>5,936,102</u>	<u>352,345</u>	<u>15,105,495</u>
NET POSITION					
Invested in capital assets, net of related debt	507,077	19,747,143	14,564,492	258,674	35,077,386
Unrestricted	6,195,351	13,378,685	11,462,305	1,125,018	32,161,359
Total Net Position	<u>\$ 6,702,428</u>	<u>\$ 33,125,828</u>	<u>\$ 26,026,797</u>	<u>\$ 1,383,692</u>	<u>\$ 67,238,745</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, 2024

	Business-Type Activities				
	KR Utility District	Utility District #1	Somers Water	Storm Water Utility (Non-major)	Total
OPERATING REVENUES					
Charges for services	\$ 226,159	\$ 2,900,894	\$ 1,882,767	\$ 291,737	\$ 5,301,557
Miscellaneous operating revenue	-	325	47,890	-	48,215
Total operating revenues	<u>226,159</u>	<u>2,901,219</u>	<u>1,930,657</u>	<u>291,737</u>	<u>5,349,772</u>
OPERATING EXPENSES					
Personnel	43,555	400,888	201,940	20,915	667,298
Materials and supplies	1,278	36,836	501,710	17,285	557,109
Contractual and other services	162,023	1,037,443	138,712	9,225	1,347,403
Miscellaneous operating expenses	-	3,000	1,246	-	4,246
Depreciation	142,775	877,407	600,673	2,894	1,623,749
Total operating expense	<u>349,631</u>	<u>2,355,574</u>	<u>1,444,281</u>	<u>50,319</u>	<u>4,199,805</u>
Operating income (loss)	<u>(123,472)</u>	<u>545,645</u>	<u>486,376</u>	<u>241,418</u>	<u>1,149,967</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	502	127,644	18,367	-	146,513
Interest and fiscal charges	-	(186,920)	(117,906)	-	(304,826)
Miscellaneous revenue	7,847	19,702	22,141	-	49,690
Miscellaneous expenses	-	(353)	(156)	-	(509)
Total non-operating revenue (expenses)	<u>8,349</u>	<u>(39,927)</u>	<u>(77,554)</u>	<u>-</u>	<u>(109,132)</u>
Income (loss) before capital contributions and transfers	<u>(115,123)</u>	<u>505,718</u>	<u>408,822</u>	<u>241,418</u>	<u>1,040,835</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Connection fees	-	1,686,096	-	-	1,686,096
Capital contributions	-	(1,208,453)	2,139,143	-	930,690
Transfers to other funds	-	(1,282,827)	(663,822)	-	(1,946,649)
Transfers from other funds	-	16,227	488,812	-	505,039
Total contributions and transfers	<u>-</u>	<u>(788,957)</u>	<u>1,964,133</u>	<u>-</u>	<u>1,175,176</u>
Change in net position	<u>(115,123)</u>	<u>(283,239)</u>	<u>2,372,955</u>	<u>241,418</u>	<u>2,216,011</u>
Net position - Beginning of year	<u>6,817,551</u>	<u>33,409,067</u>	<u>23,653,842</u>	<u>1,142,274</u>	<u>65,022,734</u>
Total net position at end of year	<u>\$ 6,702,428</u>	<u>\$ 33,125,828</u>	<u>\$ 26,026,797</u>	<u>\$ 1,383,692</u>	<u>\$ 67,238,745</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2024**

	Business-type Activities				
	KR Utility District (Non-major)	Utility District #1	Somers Water	Storm Water District (Non-major)	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 225,250	\$ 2,674,359	\$ 1,867,546	\$ 248,807	\$ 5,015,962
Paid to suppliers for goods and services	(181,648)	(1,357,804)	(653,101)	(24,304)	(2,216,857)
Paid to employees	(30,128)	(229,549)	(195,236)	(16,003)	(470,916)
Cash Flows from Operating Activities	13,474	1,087,006	1,019,209	208,500	2,328,189
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Tax levy	-	-	-	42,930	42,930
Interfund loans payments received (paid)	29,242	-	(409,549)	-	(380,307)
Transfers out	-	-	(663,822)	-	(663,822)
Transfers in	-	16,227	413,182	-	429,409
Miscellaneous income/(expense)	7,847	22,349	14,591	-	44,787
Cash Flows from Noncapital Financing Activities	37,089	38,576	(645,598)	42,930	(527,003)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Debt retired	244	(1,024,715)	(545,861)	1,239	(1,569,093)
Interest paid	-	(197,797)	(122,068)	-	(319,865)
Special assessments	-	1,374,855	815,169	-	2,190,024
Capital transfers	-	(1,282,827)	-	-	(1,282,827)
Connection fees received	-	1,686,096	-	-	1,686,096
Acquisition and construction of capital assets	-	(2,854,923)	(513,950)	(118,394)	(3,487,267)
Cash Flows from Capital and Financing Activities	244	(2,299,311)	(366,710)	(117,155)	(2,782,932)
CASH FLOWS FROM INVESTING ACTIVITIES					
Transfers (to) from investments	-	(82,167)	14,145	-	(68,022)
Interest income	502	127,644	10,356	-	138,502
Cash Flows from Investing Activities	502	45,477	24,501	-	70,480
 Net Change in Cash and Cash Equivalents	 51,309	 (1,128,252)	 31,402	 134,275	 (911,266)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	540,533	7,103,592	56,634	1,000,374	8,701,133
Cash, Cash Equivalents, and Restricted Cash - End of Year	\$ 591,842	\$ 5,975,340	\$ 88,036	\$ 1,134,649	\$ 7,789,867

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2024**

	Business-type Activities				
	KR Utility District (Non-major)	Utility District #1	Somers Water	Storm Water District (Non-major)	Totals
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (123,472)	\$ 545,645	\$ 486,376	\$ 241,418	\$ 1,149,967
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:					
Depreciation expense	142,775	877,407	600,673	2,894	1,623,749
Change in pension related assets, liabilities, and deferred outflows and deferred inflows	(2,234)	(15,171)	(5,914)	(1,100)	(24,419)
Miscellaneous Revenue/Expense	-	(3,000)	-	-	(3,000)
Change in Other Post Employment Benefits	2,299	15,937	9,104	504	27,844
Changes in assets and liabilities:					
Accounts receivable	(909)	(226,860)	(63,109)	(42,930)	(333,808)
Prepaid items	(234)	(1,751)	(1,166)	-	(3,151)
Accounts payable	(4,751)	(105,201)	(6,755)	7,714	(108,993)
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 \$ 13,474	 \$ 1,087,006	 \$ 1,019,209	 \$ 208,500	 \$ 2,328,189
 NON-CASH INVESTING AND FINANCING ACTIVITIES:					
Assets contributed by developers	\$ -	\$ -	\$ 2,024,812	\$ -	\$ 2,024,812
 Assets contributed by other funds	 \$ -	 \$ -	 \$ 75,630	 \$ -	 \$ 75,630

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
December 31, 2024

ASSETS

Cash and cash equivalents	\$ 3,212,563
Taxes receivable	<u>9,073,598</u>
Total Assets	<u><u>\$ 12,286,161</u></u>

LIABILITIES

Due to other governments	<u>\$ 12,286,161</u>
Total Liabilities	<u><u>\$ 12,286,161</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, 2024

	<u>Custodial Tax Collection Fund</u>
ADDITIONS	
Taxes Collected on Behalf of Other Taxing Entities	\$ 11,552,630
DEDUCTIONS	
Taxes Remitted to Other Taxing Entities	<u>(11,552,630)</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, 2024**

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**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. REPORTING ENTITY

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

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

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

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated based on management estimates of employees' time spent across the Village's various functions. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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.

The Village reports the following major governmental funds:

Major Governmental Funds

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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 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.

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

Non-Major Governmental Funds

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

Non-Major Enterprise Funds

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

The Village reports the following fiduciary funds:

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2024**

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, franchise fees, and other fees for service. All other Governmental Fund type revenues are recognized when received.

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

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

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

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

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

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

TID #1 was created in 2015 as an industrial district, with estimated projects costing \$12.6 million expected to increase the base value of the District of \$476,300 by between \$75-150 million over the span of the project. The current valuation of the District is \$89.3 million, and project costs to date amount to \$9.4 million as of December 31, 2024.

TID #2 was created in 2015 as a mixed-use district, with estimated projects costing \$9.5 million expected to increase the base value of the District of \$5,810,800 by approximately \$57.5 million over the span of the project. The current valuation of the District is \$95.4 million, and project costs to date amount to \$7.29 million as of December 31, 2024.

TID #3 was created in 2018 as a mixed-use district, with estimated projects costing \$26.1 million expected to increase the base value of the District of \$1,779,800 by approximately \$129.1 million over the span of the project. The current valuation of the District is \$115.2 million, and project costs to date amount to \$4.90 million as of December 31, 2024.

TID #4 was created in 2018 as a mixed-use district, with estimated projects costing \$8.2 million expected to increase the base value of the District of \$1,767,500 by approximately \$61.1 million over the span of the project. The current valuation of the District is \$40.2 million, and project costs to date amount to \$1.18 million as of December 31, 2024.

TID #5 was created in 2018 as a mixed-use district, with estimated projects costing \$14.5 million expected to increase the base value of the District of \$1,148,400 by approximately \$85.9 million over the span of the project. The current valuation of the District is \$11.8 million, and project costs to date amount to \$412,000 as of December 31, 2024.

TID #6 was created in 2018 as a mixed-use district, with estimated projects costing \$22.1 million expected to increase the base value of the District of \$2,894,000 by approximately \$68.3 million over the span of the project. The current valuation of the District is \$12.4 million, and project costs to date amount to \$8.88 million as of December 31, 2024.

TID #7 was created in 2018 as a mixed-use district, with estimated projects costing \$69.5 million expected to increase the base value of the District of \$8,364,800 by approximately \$296.3 million over the span of the project. The current valuation of the District is \$11.7 million, and project costs to date amount to \$47,000 as of December 31, 2024.

TID #8 was created in 2018 as a mixed-use district, with estimated projects costing \$11.1 million expected to increase the base value of the District of \$362,100 by approximately \$49.4 million over the span of the project. The current valuation of the District is \$447,700, and project costs to date amount to \$2.37 million as of December 31, 2024.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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 was created in 2018 as a mixed-use district, with estimated projects costing \$1.2 million expected to increase the base value of the District of \$2,081,700 by approximately \$7.7 million over the span of the project. The current valuation of the District is \$2.4 million, and project costs to date amount to \$21,000 as of December 31, 2024.

TID #10 was created in 2018 as a mixed-use district, with estimated projects costing \$1.9 million expected to increase the base value of the District of \$3,219,200 by approximately \$6.5 million over the span of the project. The current valuation of the District is \$5.0 million, and project costs to date amount to \$30,000 as of December 31, 2024.

TID #11 was created in 2018 as a mixed-use district, with estimated projects costing \$8.3 million expected to increase the base value of the District of \$195,100 by approximately \$27 million over the span of the project. The current valuation of the District is \$266,100, and project costs to date amount to \$21,000 as of December 31, 2024.

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, 2024**

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, 2024, 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, 2024**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2. Receivables

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

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

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

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

Property tax calendar - 2024 tax roll:

Lien date and levy date	December 2024
Tax bills mailed	December 2024
Payment in Full, or First installment due	January 31, 2025
Second installment due	July 31, 2025
Personal property taxes in full	January 31, 2025
Tax settlement with Village:	
First settlement	January 15, 2025
Second settlement	February 20, 2025
Final settlement	August 15, 2025

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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 \$25,451 on December 31, 2024. 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 \$52,057.

Another Special Revenue Fund, the Park Fund, was established by contract between the Village and developers to accumulate impact fees necessary to pay for engineering, construction, and legal fees incurred during land development. At year end, restricted cash of \$66,451 was held in the Park Fund.

As a requirement of the Village’s Bonds, total restricted cash and investments for bond reserves of \$911,352 was allocated out of the General Fund for debt service. Of this amount, \$272,914 is allocated to debt service for Tax Incremental District #1, \$400,180 is allocated to debt service for Tax Incremental District #2, \$114,415 is allocated to the KR Sewer Fund, \$32,441 is allocated to the Utility District #1, and \$91,402 is allocated to the Somers Water Fund.

Somers has also retained \$1,117,525 on reserve from the 2023 bond issuance for future capital projects.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5. Capital Assets

Government-Wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and infrastructure assets, and an estimated useful life based on the asset type. All capital assets are valued at historical cost, or estimated historical cost, if actual amounts are unavailable based on the records of the Village. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	50-100	Years
Land Improvements	20	Years
Machinery and Equipment	5-40	Years
Infrastructure	15-50	Years

Fund Financial Statements

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

6. Other Assets

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. Compensated Absences

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

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

Accumulated liabilities at December 31, 2024 are determined on the basis of current salary rates and salary-related payments.

8. Long-Term Obligations/Conduit Debt

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

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

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

The Village does not engage in conduit debt transactions.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. Leases

The Village is lessor for various space and equipment.

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

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

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

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

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

10. Claims and Judgments

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

Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. See Note V D. on commitments and contingencies.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

11. Equity Classifications

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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.

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.

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.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 2024, the General Fund had expenditures in excess of budget amounting to \$9,434. Within the General Fund, the Village had the following appropriations over budget:

Appropriation	Amount Over Budget	Reason
General government	\$ 9,434	Additional municipal services required
Public safety	\$ 41,765	Due to capital outlays for public safety
Planning and development	\$ 4,000	Current year contingency reserve

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, 2024:

Fund	Deficit Balance	Reason
Tax Incremental District #2	\$ 6,486	Tax Incremental District
Tax Incremental District #3	429,653	deficits are anticipated to be
Tax Incremental District #4	1,005,414	funded with future
Tax Incremental District #5	171,423	incremental taxes levied over
Tax Incremental District #7	23,270	the life of the district. The
Tax Incremental District #8	281,587	capital projects fund is
Tax Incremental District #9	20,881	anticipated to be supported
Tax Incremental District #10	2,138	by future transfers and/or
Tax Incremental District #11	20,863	debt issuances.

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 2024 and 2023 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.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Petty cash	\$ 2,787	\$ -	\$ 2,787
Demand deposits			
Interest bearing	13,410,276	478,850	13,889,126
Non-interest bearing	1,428	-	1,428
Other cash	9,128,913	151,048	9,279,961
Fiduciary			
Tax deposits	-	3,212,563	3,212,563
Total cash and cash equivalents	<u>\$ 22,543,404</u>	<u>\$ 3,842,461</u>	<u>\$ 26,385,865</u>
Per statement of net position - cash and cash equivalents			\$ 22,543,404
Per statement of net position - restricted cash and cash equivalents			629,898
Per statement of fiduciary net position - cash and cash equivalents			3,212,563
			<u>\$ 26,385,865</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 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.

Wisconsin Local Government Investment Pool (LGIP)

The Village has investments in LGIP of \$9,279,961 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, 2024, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

A. DEPOSITS AND INVESTMENTS (continued)

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, 2024, 97.00% was invested in various US Government investments which are backed by the federal government and not insured; and 3.00% was invested in various certificates of deposits and banker's acceptance notes which are guaranteed by the state deposit guarantee fund up to their insurance limitations.

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

The Village maintains cash deposits within the LGIP. The deposit and investment balances of the various fund types on December 31, 2024 were as follows:

Local Government Investment Pool	
General Fund	\$ 9,140,383
Park Fund	66,451
Drainage	52,057
Utility District #1	7,089
Water Fund	13,980
	<u>\$ 9,279,961</u>

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.

At December 31, 2024, the reported amount of the Village's deposits, including LGIP, was \$26,383,078 and the bank balance, including LGIP, was \$26,457,824. Of this balance, \$24,822,181 was not covered by federal depository insurance, collateralized securities, or by the Wisconsin insurance program. In addition, the Village maintained petty cash funds in the amount of \$2,787. The Village does not have a policy related to credit risk and believes it is not exposed to any major risk of loss in relation to its deposits.

Investments

As of December 31, 2024, the Village held \$5,832,321 in investments (including \$425,412 of restricted investments). All investments are reported at fair value. Investments with an original maturity greater than three months and remaining maturities less than one year are classified as short-term investments. Securities and similar investments that can be converted to cash are classified as current investments. The LGIP investments that can be converted to cash are considered cash and cash equivalents.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

A. DEPOSITS AND INVESTMENTS (continued)

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

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

Level 1 Fair Value Measurements

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

Level 2 Fair Value Measurement

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

Level 3 Fair Value Measurements

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

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

Fair Value Measurements at Reporting Date Using:				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Fixed Income Securities	\$ 5,024,874	\$ 5,024,874	\$ -	\$ -
Certificates of Deposit	38,856	-	38,856	-
Money Market Funds	768,591	-	768,591	-
Total	<u>\$ 5,832,321</u>	<u>\$ 5,024,874</u>	<u>\$ 807,447</u>	<u>\$ -</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

A. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

As a means of limiting exposure to losses arising from changes in market interest rates, the Village structures the portfolio so that they mature to meet ongoing operation requirements, thereby avoiding the need to sell prior to maturity. Investment maturities were as follows for the year ended December 31, 2024:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More Than 10
U.S. Government Fixed Income Securities	\$ 5,024,874	\$ 4,236,070	\$ 788,804	\$ -	\$ -
Certificates of Deposit	38,856	38,856	-	-	-
Money Market Funds	768,591	768,591	-	-	-
	<u>\$ 5,832,321</u>	<u>\$ 5,043,517</u>	<u>\$ 788,804</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

The Village has deposits in the Local Government Investment Pool which is not rated. The remainder of the Village's investments consists of federal government securities, certificates of deposit (which are FDIC insured), and money market funds which are invested in US Treasuries.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in an event or failure of the financial institution (e.g. broker-dealer), a government will not be able to cover the value of investments. With respect to investments held, securities in accounts are protected in accordance with the Securities Investor Protection Act of 1970 up to \$500,000, including cash claims limited to \$250,000. As of December 31, 2024, all of the Village's investments were in securities backed by the full faith and credit of the U.S. government.

B. RECEIVABLES

Accounts Receivable

In the governmental funds, fire and ambulance revenues, and general government services revenue of the Village are reported net of uncollectible amounts. Gross governmental receivables related to these revenues were \$1,289,074. Total uncollectible amounts related to these receivables were \$922,606, resulting net collectible receivables of \$366,468 at year-end. Business type revenues from water and sewer services provided are also reported net of uncollectible amounts. The Village estimates that the receivable balance of \$1,045,986 is fully collectible, and no allowance for uncollectible amounts has been reported.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

B. RECEIVABLES

Special Assessments

In the governmental funds, the Village reported \$646,908 for non-current special assessments receivable. In the proprietary funds, deferred special assessments of \$248,617 are recorded net of the uncollectible amount of \$220,362.

In 2022, the Village assessed the cost of certain water and sewer improvements within the TIDs to the benefitting properties. Assessments totaled \$9,123,998, were recognized in the Water and Sewer Funds in 2022 and are to be collected in equal installments over the 10-year period following the assessment. The Village believes the outstanding balance of \$5,815,473 is fully collectible and has not recorded an allowance for uncollectible amounts. Of the amounts assessed, \$2,349,419 is due to be collected within one year.

Leases

The Village leased two cell towers and farm land under long-term lease agreements. The terms of these lease agreements are detailed in Note IV.G. In January 2024, the easement on which one of the towers sits was sold by the Village, and the remaining lease was bought out by the new owners. The Village's incremental borrowing rate of 2.73% has been used to calculate interest on the leases receivable.

No allowance for uncollectible leases has been recorded, as the payments are considered to be fully collectible. Future lease payments are to be received as follows:

Year Ending	Principal	Interest	Total
12/31/2025	\$ 6,510	\$ 21,933	\$ 28,443
12/31/2026	7,542	21,755	29,297
12/31/2027	8,627	21,550	30,177
12/31/2028	9,768	21,314	31,082
12/31/2029	10,967	21,047	32,014
Thereafter	760,001	310,117	1,070,118
Total	<u>\$ 803,415</u>	<u>\$ 417,716</u>	<u>\$ 1,221,131</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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 2024. The deletions column represents the assets that were discarded in 2024. Capital asset valuation for the year ended December 31, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets not being depreciated:				
Land	\$ 1,143,695	\$ -	\$ -	\$ 1,143,695
Land Improvements	4,106,310	280,151	(280,151)	4,106,310
Total Capital Assets not being depreciated	<u>5,250,005</u>	<u>280,151</u>	<u>(280,151)</u>	<u>5,250,005</u>
Other Capital Assets:				
Land Improvements	822,267	-	-	822,267
Buildings	6,090,534	502,329	-	6,592,863
Machinery & Equipment	7,085,763	797,207	(58,000)	7,824,970
Intangible Assets	60,015	-	-	60,015
Infrastructure	12,481,870	340,072	(840,453)	11,981,489
Total Other Capital Assets at Historical Cost	<u>26,540,449</u>	<u>1,639,608</u>	<u>(898,453)</u>	<u>27,281,604</u>
Less: Accumulated Depreciation	(14,494,413)	(1,091,702)	703,858	(14,882,257)
Net Total Other Capital Assets	<u>12,046,036</u>	<u>547,906</u>	<u>(194,595)</u>	<u>12,399,347</u>
Net Total Government Activities Capital Assets	<u>\$ 17,296,041</u>	<u>\$ 828,057</u>	<u>\$ (474,746)</u>	<u>\$ 17,649,352</u>
Add: Net book value of fixed assets reported in Proprietary Funds and paid for by Governmental Funds				\$ 17,608,979
Less debt related to capital assets				<u>(19,078,497)</u>
Net investment in capital assets for government- wide statements				<u>\$ 16,179,834</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 113,982
Public Safety	479,139
Public Works	488,166
Leisure Activities	10,415
Conservation and Development	-
Total Governmental Activities - Depreciation Expense	<u>\$ 1,091,702</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

C. CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets not being depreciated:				
Land	\$ 4,000	\$ -	\$ -	\$ 4,000
Intangible Assets	21,660	-	-	21,660
Construction in Progress	444,104	2,274,936	(2,182,481)	536,559
Total Capital Assets not being depreciated	<u>469,764</u>	<u>2,274,936</u>	<u>(2,182,481)</u>	<u>562,219</u>
Other Capital Assets:				
Utility Plant in Service	75,688,753	4,186,032	-	79,874,785
Machinery & Equipment	3,356,468	100,768	-	3,457,236
Intangible Asset - Software	38,733	-	-	38,733
Total Other Capital Assets at Historical Cost	<u>79,083,954</u>	<u>4,286,800</u>	<u>-</u>	<u>83,370,754</u>
Less: Accumulated Depreciation	<u>(16,099,547)</u>	<u>(1,623,748)</u>	<u>-</u>	<u>(17,723,295)</u>
Net Total Other Capital Assets	<u>62,984,407</u>	<u>2,663,052</u>	<u>-</u>	<u>65,647,459</u>
Net Total Business-Type Activities Capital Assets	<u>\$ 63,454,171</u>	<u>\$ 4,937,988</u>	<u>\$ (2,182,481)</u>	<u>\$ 66,209,678</u>
Add: Net book value of fixed assets reported in Proprietary Funds and paid for by Governmental Funds				\$ (17,608,979)
Less debt related to capital assets				<u>(13,523,313)</u>
Net investment in capital assets for government- wide statements				<u>\$ 35,077,386</u>

Depreciation expense was charged to functions as follows:

Business - Type Activities

Utility District #1	\$ 877,407
Somers Water Utility	600,673
KR Utility District	142,775
Storm Water District	2,894
Total Business - Type Activities Depreciation Expense	<u>\$ 1,623,749</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

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 borrowed \$584,372 from the KR Utility District with an interest rate of 0.17% to be repaid over 20 years with a maturity date of 2033. As of December 31, 2024, the balance is \$265,425.

	<u>Principal</u>	<u>Interest</u>
For Year Ending December 31,		
2025	\$ 29,292	\$ 501
2026	29,342	451
2027	29,391	401
2028	29,441	352
2029	29,491	302
2030-2033	118,468	755
	<u>\$265,425</u>	<u>\$ 2,762</u>

The following is a schedule of interfund receivables and payables.

Fund	<u>Amount due from (to) other funds</u>		
	<u>Inter-fund Cash</u>	<u>Inter-fund Taxes</u>	<u>Total</u>
General Fund	\$ 1,959,041	\$ (6,232,477)	\$ (4,273,436)
Debt Service	-	5,658,050	5,658,050
TID #2	(1,825)	-	(1,825)
TID #3	(439,045)	-	(439,045)
TID #4	(997,859)	-	(997,859)
TID #5	(170,119)	-	(170,119)
TID #7	(23,270)	-	(23,270)
TID #8	(277,865)	-	(277,865)
TID #9	(20,881)	-	(20,881)
TID #10	(2,138)	-	(2,138)
TID #11	(20,863)	-	(20,863)
Water Utility	(5,176)	78,870	73,694
KR Utility Dist.	-	10,851	10,851
Utility Dist. #1	-	150,039	150,039
Storm Water Utility	-	334,667	334,667
	<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.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (continued)

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The following are transfers for 2024:

Fund	In	Out	Reason
General Fund	\$ -	\$ (332,373)	Fund capital projects
Capital Projects Fund	435,154	-	Fund capital improvements
Debt Service Fund	-	(21,966)	TID #2 Debt Service Payments
ARPA Fund	-	(532,190)	Fund capital improvements
TID #2	21,966	-	TID #2 Debt Service Payments
TID #3	486,389	-	Fund TID development
TID #5	-	(51,565)	Fund TID development
TID #6	1,177,840	-	Fund TID development
TID #8	282,420	(24,065)	Fund TID development
Utility District #1	16,227	(1,282,827)	Fund TID development
Water Fund	488,812	(663,822)	Fund TID development

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Adjustment	Ending Balance	Amounts Due Within One Year
Governmental Activities						
Bonds and Notes Payable:						
General Obligation Bond	\$ 7,326,962	\$ -	\$ 930,032	\$ -	\$ 6,396,930	\$ 880,358
General Obligation Corporate Purpose	7,285,000	-	540,000	-	6,745,000	520,000
Revenue Bonds	5,470,000	-	340,000	-	5,130,000	345,000
Promissory Note	1,073,197	-	-	(61,580)	1,011,617	-
Tax Increment Project Revenue Bond	-	-	-	-	-	-
Add/(Subtract) Deferred Amounts For: (Discounts)/Premiums	528,349	-	45,175	-	483,174	-
Total Bonds and Notes Payable	21,683,508	-	1,855,207	(61,580)	19,766,721	1,745,358
Other Liabilities:						
Post Retirement Benefits	1,439,758	310,978	-	-	1,750,736	-
Vested Vacation and Sick Days	236,695	258,113	236,695	-	258,113	99,364
Developer Reimbursement Obligation	13,186,367	-	1,946,649	-	11,239,718	-
Total Other Liabilities	14,862,820	569,091	2,183,344	-	13,248,567	99,364
Total Governmental Activities - Long-Term Liabilities	\$ 36,546,328	\$ 569,091	\$ 4,038,551	\$ (61,580)	\$ 33,015,288	\$ 1,844,722

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

E. LONG TERM OBLIGATIONS (continued)

	Beginning Balance	Increases	Decreases	Adjustment	Ending Balance	Due Within One Year
Business-Type Activities						
Bonds and Notes Payable:						
General Obligation Bond	\$ 5,388,038	\$ -	\$ 1,199,968	\$ -	\$ 4,188,070	\$ 1,219,642
Revenue Bonds	9,497,712	-	359,478	-	9,138,234	367,899
Add/(Subtract) Deferred Amounts For:						
Premium (Discounts)	224,261	-	27,252	-	197,009	-
Total Bonds and Notes Payable	<u>15,110,011</u>	<u>-</u>	<u>1,586,698</u>	<u>-</u>	<u>13,523,313</u>	<u>1,587,541</u>
Other Liabilities:						
Post Retirement Benefits	231,116	27,844	-	-	258,960	-
Vested Vacation and Sick Days	34,688	19,286	6,117	-	47,857	8,423
Total Other Liabilities	<u>265,804</u>	<u>47,130</u>	<u>6,117</u>	<u>-</u>	<u>306,817</u>	<u>8,423</u>
 Total Business-Type Activities- Long-Term Liabilities	 <u>\$ 15,375,815</u>	 <u>\$ 47,130</u>	 <u>\$ 1,592,815</u>	 <u>\$ -</u>	 <u>\$ 13,830,130</u>	 <u>\$ 1,595,964</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, 2024, was \$85,501,100.

The Village's legal margin for creation of additional general obligation debt on December 31, 2024 was \$36,158,305 as follows:

Equalized valuation of the Village	\$1,710,022,000
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	85,501,100
Net outstanding general obligation debt applicable to debt limitation	<u>(17,330,000)</u>
Legal margin for new debt	<u>\$ 68,171,100</u>

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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 12/31/24</u>
<u>Governmental Activities - General Obligation Debt</u>					
General Obligation Refunding Bond	2015	2026	2.00 - 3.50%	\$ 199,220	\$ 59,061
General Obligation Corporate Purpose Bonds	2016	2025	2.00 - 3.00%	5,170,000	3,210,000
General Obligation Refunding Bond	2017	2027	2.02%	4,364,002	427,869
General Obligation Refunding Bond	2018	2036	3.15% - 4.5%	1,675,000	1,200,000
General Obligation Refunding Bond	2020	2030	2.00%	1,660,000	970,000
General Obligation Refunding Bond	2021	2041	0.30% - 3.00%	5,080,000	4,195,000
General Obligation Refunding Bond	2023	2033	4.00%-5.00%	3,435,000	<u>3,080,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 13,141,930</u>

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 12/31/24</u>
<u>Business Type Activities - General Obligation Debt</u>					
General Obligation Refunding Bond	2015	2027	2.00 - 3.50%	\$ 8,975,780	\$ 2,660,939
General Obligation Refunding Bond	2017	2027	2.02%	84,098	22,131
General Obligation Refunding Bond	2021	2041	0.30% - 3.00%	1,855,000	<u>1,505,000</u>
Total Business Type Activities - General Obligation Debt					<u>\$ 4,188,070</u>
Total General Obligation Debt					<u><u>\$ 17,330,000</u></u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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 \$17,330,000 on December 31, 2024 are detailed below:

Years	Governmental Activities Debt		Business-Type Activities Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,400,358	\$ 424,067	\$ 1,219,642	\$ 101,343	\$ 2,620,000	\$ 525,410
2026	1,460,141	380,764	1,214,859	63,468	2,675,000	444,232
2027	1,286,430	320,032	623,569	33,246	1,909,999	353,278
2028	1,150,000	262,990	130,000	21,300	1,280,000	284,290
2029	1,130,001	225,756	135,000	18,650	1,265,001	244,406
2028-2032	5,000,000	582,558	715,000	51,450	5,715,000	634,008
2033-2037	1,545,000	70,050	150,000	1,500	1,695,000	71,550
2038-2041	170,000	3,500	-	-	170,000	3,500
	<u>\$ 13,141,930</u>	<u>\$ 2,269,717</u>	<u>\$ 4,188,070</u>	<u>\$ 290,957</u>	<u>\$ 17,330,000</u>	<u>\$ 2,560,674</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

E. LONG-TERM OBLIGATIONS (continued)

REVENUE BONDS

Revenue bonds outstanding on December 31, 2024 totaled \$14,268,234 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 12/31/24</u>
<u>Governmental Activities - Revenue Bonds</u>					
Revenue Bond	2017	2037	3.08%	3,165,000	\$ 2,270,000
Bonds	2018	2036	3.5% - 5%	3,515,000	<u>2,860,000</u>
Total Governmental Activities - Revenue Bonds					<u>\$ 5,130,000</u>
	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/24</u>
<u>Business Type Activities - Revenue Bonds</u>					
Revenue Bonds	2016	2036	2.00 - 3.00%	2,055,000	\$ 1,355,000
Revenue Bonds	2017	2037	2.00 - 4.00%	1,420,150	830,000
Safe Drinking Water Loan	2021	2050	1.595%	2,918,578	3,513,249
Clean Water Fund Loan	2021	2050	1.595%		<u>3,439,985</u>
Total Business Type Activities - Revenue Bonds					<u>\$ 9,138,234</u>
Total Revenue Bonds					<u><u>\$ 14,268,234</u></u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

E. LONG TERM OBLIGATIONS (continued)

REVENUE BONDS (continued)

Annual principal and interest maturities of the outstanding revenue bonds of \$14,268,234 on December 31, 2024 are detailed below:

Years	Governmental Activities Debt		Business-Type Activities Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 345,000	\$ 202,591	\$ 367,899	\$ 174,173	\$ 712,899	\$ 376,764
2026	345,000	190,041	376,374	166,094	721,374	356,135
2027	375,000	175,891	379,905	157,885	754,905	333,776
2028	405,000	158,666	388,493	149,269	793,493	307,935
2029	415,000	139,766	397,137	140,146	812,137	279,912
2028-2032	2,150,000	436,400	2,137,419	562,275	4,287,419	998,675
2033-2037	1,095,000	53,262	1,797,656	334,499	2,892,656	387,761
2038-2042	-	-	1,426,145	206,497	1,426,145	206,497
2043-2047	-	-	1,543,566	88,140	1,543,566	88,140
2048-2051	-	-	323,640	2,581	323,640	2,581
	<u>\$ 5,130,000</u>	<u>\$ 1,356,617</u>	<u>\$ 9,138,234</u>	<u>\$ 1,981,559</u>	<u>\$ 14,268,234</u>	<u>\$ 3,338,176</u>

Governmental activity revenue bonds

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

Business-type activity revenue bonds

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

E. LONG TERM OBLIGATIONS (continued)

Other Debt Information

For debt with variable rates, each debt payment has a specified interest rate. Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund. There are a number of limitations and restrictions contained in the various bond indentures and loan agreements.

From 2020 through 2023 a developer financed Village utility system improvements amounting to \$14,324,457 within three of the Village's TIF Districts. Based on the Developer Agreement, over the next 40 years, at such time or times when other property owners within the District seek to connect to the Village's utility system, the owners will pay a connection fee to the Village, which will be used to reimburse the developer. To the extent the developer has not been fully reimbursed for the improvements by September 1, 2031, the Village has warranted that it will make a supplemental reimbursement to the developer from Fund Balances, borrowings, or tax appropriations (or a combination thereof) until the developer has received the maximum amounts defined in the Developer Agreement. As of December 31, 2024, the Village has an unpaid obligation of \$11,239,718 under this agreement.

In 2022, the Village obtained a construction line of credit from Tri-City bank, which bears interest at 3.15% and matures May 1, 2027. No principal payments are due until maturity. Interest is payable annually on the outstanding balance. The balance outstanding at December 31, 2024 was \$1,073,197.

F. RESTRICTED ASSETS

The Village's Restricted Assets at December 31, 2024 consisted of cash and investments as follows:

General Fund	\$ 25,451
Debt Service	
Tax Incremental District #1	\$ 272,914
Tax Incremental District #2	400,180
Total Debt Service	<u>\$ 673,094</u>
Special Revenue Funds	
Drainage	\$ 52,057
Ravine Park	28,140
Park	38,312
Total Special Revenue Funds	<u>\$ 118,508</u>
Sewer	
Debt Service	\$ 114,415
Utility District Replacement Account	
Utility District #1	
Debt Service	\$ 32,441
Utility District Replacement Account	
Somers Water	
Debt Service	\$ 91,402
Total Somers Water	<u>\$ 91,402</u>
Total Restricted Cash and Investments	<u><u>\$ 1,055,310</u></u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

G. LEASE DISCLOSURES

The Village leases land for a cell tower to a telecommunications company. The lease is for 25 years and ends on November 6, 2048. Rent is payable in increasing annual installments ranging from \$28,444 to \$63,183 over the life of the lease. The Village recognized rental income of \$14,504 and \$22,084 of interest income on this lease for the year ended December 31, 2024. The remaining amount receivable on this lease is \$803,415. Deferred inflows on the lease totaled \$367,129 for the year ended December 31, 2024.

H. GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET POSITION

Governmental activities net position reported on the government-wide Statement of Net Position at December 31, 2024 includes the following:

GOVERNMENTAL ACTIVITIES

Net Investment in Capital Assets	
Land and construction in progress	\$ 1,143,695
Other capital assets, net of accumulated depreciation	16,505,657
Business-type capital assets bonded with government-type debt	17,608,979
Less: related long-term debt outstanding (net of unspent proceeds of debt and vacation accrual)	(19,078,497)
Total Investment in Capital Assets	<u>16,179,834</u>
Restricted	1,373,071
Unrestricted (deficit)	<u>(14,406,820)</u>
Total Governmental Activities Net Position	<u><u>\$ 3,146,085</u></u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

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

BUSINESS-TYPE ACTIVITIES

	KR Utility District	Utility District #1	Somers Water	Storm Water Utility	Total
Net Investment in Capital Assets					
Construction in progress	\$ -	\$ 1,771	\$ 415,003	\$ 119,785	\$ 536,559
Other capital assets, net of accumulated depreciation	5,858,700	30,914,408	28,761,122	138,889	65,673,119
Less: related long-term debt outstanding					
(net of unspent proceeds of debt and vacation accrual	-	(8,144,979)	(5,378,334)	-	(13,523,313)
Net book value of fixed assets reported in Proprietary					
Funds and paid for by Governmental Funds	(5,351,623)	(3,024,057)	(9,233,299)	-	(17,608,979)
Total Investment in Capital Assets	507,077	19,747,143	14,564,492	258,674	35,077,386
Unrestricted	6,195,351	13,378,685	11,462,305	1,125,018	32,161,359
Total Business-Type Activities Net Position	\$ 6,702,428	\$ 33,125,828	\$ 26,026,797	\$ 1,383,692	\$ 67,238,745

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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, 2024 include the following:

Nonspendable

Major Funds	
General Fund - prepaid expenses	\$ 20,269
Total Nonspendable	<u>\$ 20,269</u>

Restricted

Major Funds	
Debt Service - debt service purposes only	\$ 10,934,766
Non-Major Funds	
Tax Incremental Districts - TID purposes only	\$ 1,173,112
Drainage Fund - drainage purposes only	145,016
Park Fund - park purposes only	54,943
Total Restricted	<u>\$ 12,307,837</u>

Assigned

Major Funds	
General Fund - Fourth of July Parade	\$ 7,241
General Fund - subsequent year expenditures	1,138,067
Capital Projects	794,434
Total Assigned	<u>\$ 1,939,742</u>

Unassigned

Major Funds	
General Fund - undesignated funds	\$ 5,487,123
Non-Major Funds	
Tax Incremental Districts - deficit (See Note III C.)	\$ (1,962,307)
Total Unassigned	<u>\$ 3,524,816</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Summary of Significant Accounting Policies

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

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

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

General Information about the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE V – OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

Summary of Significant Accounting Policies (continued)

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

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

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

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

During the reporting period, the WRS recognized \$233,047 in contributions from the employer.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE V – OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

Contribution rates as of December 31, 2023 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At December 31, 2024, the Village reported a net pension liability of \$250,786 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2023, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. 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 Liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the Village's proportion was 0.01686744%, which was an increase of 0.00050301% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2024 the Village recognized pension expense of \$172,673.

At December 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,011,166	\$ 1,339,297
Net differences between projected and actual earnings on pension plan investments	873,950	-
Changes in assumptions	109,310	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,223	16,575
Employer contributions subsequent to the measurement date	273,776	-
Total	<u>\$ 2,269,425</u>	<u>\$ 1,355,872</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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)

\$273,776 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflow of Resources	Deferred Inflows of Resources
2024	\$ 1,597,828	\$ (1,466,111)
2025	1,300,271	(1,162,808)
2026	1,035,631	(488,879)
2027	40,472	(208,915)
2028	-	-
Total	\$ 3,974,202	\$ (3,326,713)

Actuarial assumptions. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset)	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases: Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE V – OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

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

**Asset Allocation Targets and Expected Returns
As of December 31, 2023**

<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	40	7.3	4.5
Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
Variable Fund Asset Class			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%

Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE V – OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

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

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77% (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, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate 5.80%	Current Discount Rate 6.80%	1% Increase to Discount Rate 7.80%
Entity's proportionate share of the net pension liability (asset)	\$ 2,423,968	\$ 250,786	\$ (1,269,881)

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, 2024**

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, 2024 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, 2024**

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:	2.230
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:	4.280%
Discount Rate:	4.280%
Measurement Date:	12/31/2024
Prior Measurement Date:	12/31/2023
Prior Year Discount Rate:	3.620%
Projected Salary Increases:	3.000%
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 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, 2024**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

RETIREE HEALTH INSURANCE (continued)

The Village reported an OPEB liability of \$1,664,189 for the year ended December 31, 2024. 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 3.280%	Current Discount Rate 4.280%	1% Increase to Discount Rate 5.280%
Net OPEB liability	\$ 1,826,481	\$ 1,664,189	\$ 1,520,464

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, 2023	\$ 1,385,832	\$ -	\$ 1,385,832
Changes for the year:			
Service cost	21,745	-	21,745
Interest	50,851	-	50,851
Contributions and benefit payments	(5,745)	-	(5,745)
Economic/demographic gains or losses	316,366	-	316,366
Changes in assumptions or inputs	(104,860)	-	(104,860)
Balance at December 31, 2024	<u>\$ 1,664,189</u>	<u>\$ -</u>	<u>\$ 1,664,189</u>

The Village recognized an OPEB expense of \$21,745 for the year ended December 31, 2024. No payables were outstanding as of the end of the year.

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

Village of Somers Retiree Health Insurance Plan	
Inactive employees or beneficiaries currently receiving benefit payments	6
Active employees	14
	<u>20</u>

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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	5.80%	11.70%	3.50%	3.00%
Year 2	5.70%	8.70%	3.50%	3.00%
Year 3	5.60%	5.60%	3.00%	3.00%
Year 4	5.40%	5.40%	3.00%	3.00%
Year 5	5.20%	5.20%	3.00%	3.00%
Year 6	5.00%	5.00%	3.00%	3.00%
Year 7	4.80%	4.80%	3.00%	3.00%
Year 8	4.60%	4.60%	3.00%	3.00%
Year 9	4.40%	4.40%	3.00%	3.00%
Year 10	4.10%	4.10%	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:

	<u>1% Decrease</u>	<u>Healthcare Cost Baseline Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 1,506,464	\$ 1,664,189	\$ 1,840,941

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

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

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs, and
- OPEB Expense (Revenue).

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (continued)

General Information about the Other Post-Employment Benefits

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

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

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

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

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

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

Contribution rates as of December 31, 2023 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, 2023 are as listed below:

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (continued)

Life Insurance Employee Contribution Rates* For the year ended December 31, 2023		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

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

During the reporting period, the LRLIF recognized \$1,530 in contributions from the employer.

At December 31, 2024, the Village reported a liability of \$345,509 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. 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, 2023, the Village's proportion was 0.07510000%, which was an increase of 0.00028200% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Village recognized OPEB expense of \$6,681 for the Fund. No payables were outstanding as of the end of the year.

At December 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 30,577
Net differences between projected and actual earnings on OPEB plan investments	4,668	-
Changes in assumptions	108,078	136,055
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,948	103,328
Contributions subsequent to the measurement date	4,260	-
Total	\$ 137,954	\$ 269,960

\$4,260 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31	Deferred Outflow of Resources	Deferred Inflows of Resources
2024	\$ 55,372	\$ 76,510
2025	38,207	55,158
2026	20,111	53,041
2027	8,006	48,479
2028	6,449	35,380
2029	5,549	1,392
Thereafter	-	-
Total	\$ 133,694	\$ 269,960

Actuarial assumptions. The total OPEB liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (continued)

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability (Asset)	December 31, 2023
Experience Study:	January 1, 2018 – December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.26%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	3.32%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

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

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2023**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Interm Credit	40.00%	2.32%
US Mortgages	Bloomberg US MBS	60.00%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE V – OTHER INFORMATION (continued)

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (continued)

Single Discount rate. A single discount rate of 3.32% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the Village's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the Village's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.32%, as well as what the Village's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32%) or 1-percentage-point higher (4.32% percent) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
Entity's proportionate share of the net OPEB liability (asset)	\$ 464,240	\$ 345,509	\$ 254,879

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.

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE V – OTHER INFORMATION (continued)

D. COMMITMENTS AND CONTINGENCIES

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

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

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

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

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

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

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

Terms of the Agreement:

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE V – OTHER INFORMATION (continued)

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

Apportionments of Assets and Liabilities:

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

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

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

Provision of Municipal Services:

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

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

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

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

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

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE V – OTHER INFORMATION (continued)

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

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

Payment of Expenses Related to Shared Services:

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

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

Apportionment of Levy:

The apportionment of the levy shall be based upon the property originally approved by the State Department of Administration to become a Village, plus any subsequent properties annexed to the Village by ordinance adopted by the Village Board. In this case, to the degree practicable, the mill rate of the Village shall equal the mill rate of the Town. For the 2017 budget and subsequent budgets, the apportionment ratio shall be as determined by the Kenosha County Division of Land Information using the best information available as determined by the Division of Land Information. For 2024, the levy was assessed in compliance with these terms.

Assignment of Revenue:

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

Contracts:

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

Capital Expenditures:

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

Capital Financing & Debt:

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

**VILLAGE OF SOMERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE V – OTHER INFORMATION (continued)

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

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.

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

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

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

G. SUBSEQUENT EVENTS

Management evaluated subsequent events through October 7, 2025, the date the financial statements were available to be issued. Subsequent to year-end, Tax Incremental District #10 was terminated. Management is not aware of any other events that would require disclosure in the financial statement footnotes.

H. ACCOUNTING PRONOUNCEMENTS ADOPTED IN THE CURRENT YEAR

During 2024, the Village adopted GASB issued Statement No. 101, *Compensated Absences*. This Statement provides guidance on the accounting and financial reporting for The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. See Note I D. 7. for more information.

VILLAGE OF SOMERS

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SOMERS
KENOSHA COUNTY, WISCONSIN

Schedule of Changes in Retiree Health Insurance OPEB Liability

	<u>Last 10 Fiscal Years</u>						
	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Balance as of Prior Measurement Date	\$ 1,349,694	\$ 1,147,677	\$ 1,159,112	\$ 1,300,638	\$ 1,260,448	\$ 1,393,450	\$ 1,385,832
Service Cost	46,073	32,110	29,939	29,939	29,939	29,939	21,745
Interest on Total OPEB Liability	34,792	50,745	43,567	43,567	44,569	44,569	50,851
Effect of Plan Changes	-	-	-	-	-	-	-
Effect of Economic/Demographic Gains of Losses	(63,230)	(63,231)	69,592	69,592	87,144	(52,997)	316,366
Effect of Assumptions Changes or Inputs	(211,463)	-	3,820	(178,965)	(24,095)	(24,095)	(104,860)
Benefit Payments	-	-	-	-	-	-	-
Employer Contributions	(8,189)	(8,189)	(5,392)	(4,323)	(4,555)	(5,034)	(5,745)
Employee Contributions	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-
Administrative Expenses	-	-	-	-	-	-	-
Balance as of Current Measurement Date	<u>\$ 1,147,677</u>	<u>\$ 1,159,112</u>	<u>\$ 1,300,638</u>	<u>\$ 1,260,448</u>	<u>\$ 1,393,450</u>	<u>\$ 1,385,832</u>	<u>\$ 1,664,189</u>

See Notes to Required Supplementary Information.

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

Plan Year Ending	Net OPEB Liability	Fiduciary Net Position	Covered Employee Payroll	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)
				Covered Employee Payroll		
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%
12/31/2021	1,260,448	-	910,388	0.00%		0.00%
12/31/2022	1,393,450	-	916,446	0.00%		0.00%
12/31/2023	1,385,832	-	881,569	0.00%		0.00%
12/31/2024	1,664,189	-	896,635	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)		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%
12/31/2020	0.10464300%		575,612		1,889,000	30.47%	31.36%
12/31/2021	0.08755000%		517,453		1,609,000	32.16%	29.57%
12/31/2022	0.07481800%		285,044		1,887,000	15.11%	0.00%
12/31/2023	0.07510000%		345,509		2,226,000	15.52%	0.00%

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

See Notes to Required Supplementary Information.

VILLAGE OF SOMERS
KENOSHA COUNTY, WISCONSIN

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

Wisconsin Retirement System - Last 10 Fiscal Years

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/15	0.01304000%	\$ 320,298	\$ 1,376,535	-23.27%	102.74%
12/31/16	0.01232447%	58,610	1,430,073	14.00%	98.2%
12/31/17	0.01962601%	(582,718)	1,709,958	-14.93%	102.93%
12/31/18	0.02081402%	740,497	1,822,913	40.62%	96.45%
12/31/19	0.01491872%	(481,047)	1,902,152	-25.29%	102.96%
12/31/20	0.01547884%	(966,364)	2,010,496	-48.07%	210.52%
12/31/21	0.01609392%	(1,297,198)	2,124,264	-61.07%	212.04%
12/31/22	0.01636443%	866,938	2,037,852	42.54%	191.44%
12/31/23	0.01686744%	250,786	2,309,104	10.86%	197.70%

Schedule of Employer Contributions

Wisconsin Retirement System - Last 10 Fiscal Years

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
12/31/15	\$ 115,376	\$ 115,376	\$ -	\$ 1,376,535	8.32%
12/31/16	115,160	115,160	-	1,430,073	8.05%
12/31/17	148,649	148,649	-	1,709,958	8.69%
12/31/18	154,402	154,402	-	1,822,913	8.47%
12/31/19	159,140	159,140	-	1,924,363	8.27%
12/31/20	185,017	185,017	-	1,902,152	9.73%
12/31/21	183,608	183,608	-	2,010,496	9.13%
12/31/22	195,785	195,785	-	2,124,264	9.22%
12/31/23	231,746	231,746	-	2,309,105	10.04%
12/31/24	271,640	271,640	-	2,535,828	10.71%

See Notes to Required Supplementary Information.

VILLAGE OF SOMERS

Notes to Required Supplementary Information December 31, 2024

NOTE A – 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 B – WISCONSIN RETIREMENT SYSTEM

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

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

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

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

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%

VILLAGE OF SOMERS

Notes to Required Supplementary Information December 31, 2024

NOTE B – WISCONSIN RETIREMENT SYSTEM (CONTINUED)

- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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

NOTE C – LOCAL RETIREE LIFE INSURANCE FUND

There were no changes in benefit terms.

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

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

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

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

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

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

VILLAGE OF SOMERS
KENOSHA COUNTY, WISCONSIN

SUPPLEMENTARY INFORMATION

**VILLAGE OF SOMERS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2024**

	Special Revenue Funds				Capital Projects Funds				
	Drainage Fund	Park Fund	ARPA Fund	Total Special Revenue Funds	Tax Incremental District #1	Tax Incremental District #2	Tax Incremental District #3	Tax Incremental District #4	Tax Incremental District #5
ASSETS									
Cash and cash equivalents	\$ 92,959	\$ 13,492	\$ 19,606	\$ 126,057	\$ 635,593	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	441,931	-	-	-	-
Miscellaneous receivable	-	-	-	-	-	-	14,696	-	10,087
Restricted cash	52,057	66,451	-	118,508	-	-	-	-	-
Deferred special assessments	-	-	-	-	356,448	290,460	-	-	-
TOTAL ASSETS	<u>\$ 145,016</u>	<u>\$ 79,943</u>	<u>\$ 19,606</u>	<u>\$ 244,565</u>	<u>\$ 1,433,972</u>	<u>\$ 290,460</u>	<u>\$ 14,696</u>	<u>\$ -</u>	<u>\$ 10,087</u>
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 48,233	\$ 4,661	\$ 5,304	\$ 7,555	\$ 11,391
Due to other funds	-	-	-	-	-	1,825	439,045	997,859	170,119
Developer deposits	-	25,000	-	25,000	-	-	-	-	-
Unearned revenues	-	-	19,606	19,606	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>25,000</u>	<u>19,606</u>	<u>44,606</u>	<u>48,233</u>	<u>6,486</u>	<u>444,349</u>	<u>1,005,414</u>	<u>181,510</u>
DEFERRED INFLOWS OF RESOURCES									
Deferred special assessments	-	-	-	-	360,915	290,460	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>360,915</u>	<u>290,460</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES									
Restricted									
Tax Incremental Districts	-	-	-	-	1,024,824	592	-	-	-
Drainage fund	145,016	-	-	145,016	-	-	-	-	-
Park fund	-	54,943	-	54,943	-	-	-	-	-
Unassigned	-	-	-	-	-	(7,078)	(429,653)	(1,005,414)	(171,423)
TOTAL FUND BALANCES (DEFICIT)	<u>145,016</u>	<u>54,943</u>	<u>-</u>	<u>199,959</u>	<u>1,024,824</u>	<u>(6,486)</u>	<u>(429,653)</u>	<u>(1,005,414)</u>	<u>(171,423)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 145,016</u>	<u>\$ 79,943</u>	<u>\$ 19,606</u>	<u>\$ 244,565</u>	<u>\$ 1,433,972</u>	<u>\$ 290,460</u>	<u>\$ 14,696</u>	<u>\$ -</u>	<u>\$ 10,087</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
December 31, 2024**

	Capital Projects 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	Total Capital Project Funds
ASSETS							
Cash and cash equivalents	\$ 261,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 897,196
Investments	-	-	-	-	-	-	441,931
Miscellaneous receivable	3,868	-	4,953	-	-	-	33,604
Restricted cash	-	-	-	-	-	-	-
Deferred special assessments	-	-	-	-	-	-	646,908
TOTAL ASSETS	<u>\$ 265,471</u>	<u>\$ -</u>	<u>\$ 4,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,019,639</u>
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 117,775	\$ -	\$ 8,675	\$ -	\$ -	\$ -	\$ 203,594
Due to other funds	-	23,270	277,865	20,881	2,138	20,863	1,953,865
Developer deposits	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>117,775</u>	<u>23,270</u>	<u>286,540</u>	<u>20,881</u>	<u>2,138</u>	<u>20,863</u>	<u>2,157,459</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred special assessments	-	-	-	-	-	-	651,375
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>651,375</u>
FUND BALANCES							
Restricted							
Tax Incremental Districts	147,696	-	-	-	-	-	1,173,112
Drainage fund	-	-	-	-	-	-	-
Park fund	-	-	-	-	-	-	-
Unassigned	-	(23,270)	(281,587)	(20,881)	(2,138)	(20,863)	(1,962,307)
TOTAL FUND BALANCES (DEFICIT)	<u>147,696</u>	<u>(23,270)</u>	<u>(281,587)</u>	<u>(20,881)</u>	<u>(2,138)</u>	<u>(20,863)</u>	<u>(789,195)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 265,471</u>	<u>\$ -</u>	<u>\$ 4,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,019,639</u>

See accompanying notes to the financial statements.

VILLAGE OF SOMERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	Special Revenue Funds				Capital Projects Funds				
	Drainage Fund	Park Fund	ARPA Fund	Total Special Revenue Funds	Tax Incremental District #1	Tax Incremental District #2	Tax Incremental District #3	Tax Incremental District #4	Tax Incremental District #5
REVENUES									
Intergovernmental	\$ -	\$ -	\$ 532,190	\$ 532,190	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	48,708	-	2,054	-	43,858
Investment income	2,643	3,374	-	6,017	96,431	35	-	-	-
Total Revenues	2,643	3,374	532,190	538,207	145,139	35	2,054	-	43,858
EXPENDITURES									
Current:									
Conservation and development	-	-	-	-	19,392	19,751	523,364	275,438	35,160
Debt service:									
Interest and other charges	-	-	-	-	651	1,657	-	-	-
Total Expenditures	-	-	-	-	20,043	21,408	523,364	275,438	35,160
Excess (deficiency) of revenues over expenditures	2,643	3,374	532,190	538,207	125,096	(21,373)	(521,310)	(275,438)	8,698
OTHER FINANCING SOURCES (USES)									
Capital contributions to utility	-	-	-	-	-	-	-	-	(51,565)
Transfers in	-	-	-	-	-	21,966	486,389	-	-
Transfers out	-	-	(532,190)	(532,190)	-	-	-	-	-
Total other financing sources and uses	-	-	(532,190)	(532,190)	-	21,966	486,389	-	(51,565)
Net change in fund balance	2,643	3,374	-	6,017	125,096	593	(34,921)	(275,438)	(42,867)
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	142,373	51,569	-	193,942	899,728	(7,079)	(394,732)	(729,976)	(128,556)
FUND BALANCES - END OF YEAR (DEFICIT)	<u>\$ 145,016</u>	<u>\$ 54,943</u>	<u>\$ -</u>	<u>\$ 199,959</u>	<u>\$ 1,024,824</u>	<u>\$ (6,486)</u>	<u>\$ (429,653)</u>	<u>\$ (1,005,414)</u>	<u>\$ (171,423)</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, 2024

	Capital Projects 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	Total Capital Projects Funds
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 532,190
Charges for services	683	1	4,953	-	-	-	100,257
Investment income	-	-	-	-	6,337	-	102,803
Total Revenues	<u>683</u>	<u>1</u>	<u>4,953</u>	<u>-</u>	<u>6,337</u>	<u>-</u>	<u>741,267</u>
EXPENDITURES							
Current:							
Conservation and development	1,207,849	1,039	302,491	722	722	722	2,386,650
Debt service:							
Interest and other charges	-	-	-	-	-	-	2,308
Total Expenditures	<u>1,207,849</u>	<u>1,039</u>	<u>302,491</u>	<u>722</u>	<u>722</u>	<u>722</u>	<u>2,388,958</u>
Excess (deficiency) of revenues over expenditures	<u>(1,207,166)</u>	<u>(1,038)</u>	<u>(297,538)</u>	<u>(722)</u>	<u>5,615</u>	<u>(722)</u>	<u>(1,647,691)</u>
OTHER FINANCING SOURCES (USES)							
Capital contributions to utility	-	-	(24,065)	-	-	-	(75,630)
Transfers in	1,177,840	-	282,420	-	-	-	1,968,615
Transfers out	-	-	-	-	-	-	(532,190)
Total other financing sources and uses	<u>1,177,840</u>	<u>-</u>	<u>258,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,360,795</u>
Net change in fund balance	(29,326)	(1,038)	(39,183)	(722)	5,615	(722)	(292,913)
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	<u>177,022</u>	<u>(22,232)</u>	<u>(242,404)</u>	<u>(20,159)</u>	<u>(7,753)</u>	<u>(20,141)</u>	<u>(496,282)</u>
FUND BALANCES - END OF YEAR (DEFICIT)	<u>\$ 147,696</u>	<u>\$ (23,270)</u>	<u>\$ (281,587)</u>	<u>\$ (20,881)</u>	<u>\$ (2,138)</u>	<u>\$ (20,863)</u>	<u>\$ (589,236)</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
December 31, 2024**

	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	\$ 86,363	\$ 2,354,147	\$ 2,671,901	\$ 732,228	\$ 2,010,623	\$ 19,523	\$ 98,948
Investments	51,134	1,221,755	798,455	-	-	-	-
Property taxes receivable	1,028,952	1,154,643	1,164,956	1,475,231	499,578	138,634	123,680
Restricted cash	-	124,847	203,301	-	-	-	-
Restricted investments	-	148,066	196,879	-	-	-	-
TOTAL ASSETS	<u>\$ 1,166,449</u>	<u>\$ 5,003,458</u>	<u>\$ 5,035,492</u>	<u>\$ 2,207,459</u>	<u>\$ 2,510,201</u>	<u>\$ 158,157</u>	<u>\$ 222,628</u>
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 4,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>4,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred property tax levy	1,028,952	1,154,643	1,164,956	1,475,231	499,578	138,635	123,680
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,028,952</u>	<u>1,154,643</u>	<u>1,164,956</u>	<u>1,475,231</u>	<u>499,578</u>	<u>138,635</u>	<u>123,680</u>
FUND BALANCES							
Restricted							
Debt service	133,247	3,848,815	3,870,536	732,228	2,010,623	19,522	98,948
TOTAL FUND BALANCES	<u>133,247</u>	<u>3,848,815</u>	<u>3,870,536</u>	<u>732,228</u>	<u>2,010,623</u>	<u>19,522</u>	<u>98,948</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,166,449</u>	<u>\$ 5,003,458</u>	<u>\$ 5,035,492</u>	<u>\$ 2,207,459</u>	<u>\$ 2,510,201</u>	<u>\$ 158,157</u>	<u>\$ 222,628</u>

See accompanying notes to the financial statements.

**VILLAGE OF SOMERS
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS (continued)
December 31, 2024**

	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	\$ 146,928	\$ 3,207	\$ 12,588	\$ 54,941	\$ 3,183	\$ 8,194,580
Investments	-	-	-	-	-	2,071,344
Property taxes receivable	42,846	1,113	4,071	23,423	923	5,658,050
Restricted cash	-	-	-	-	-	328,148
Restricted investments	-	-	-	-	-	344,945
TOTAL ASSETS	<u>\$ 189,774</u>	<u>\$ 4,320</u>	<u>\$ 16,659</u>	<u>\$ 78,364</u>	<u>\$ 4,106</u>	<u>\$ 16,597,067</u>
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,250
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,250</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred property tax levy	42,846	1,113	4,071	23,423	923	5,658,051
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>42,846</u>	<u>1,113</u>	<u>4,071</u>	<u>23,423</u>	<u>923</u>	<u>5,658,051</u>
FUND BALANCES						
Restricted						
Debt service	146,928	3,207	12,588	54,941	3,183	10,934,766
TOTAL FUND BALANCES	<u>146,928</u>	<u>3,207</u>	<u>12,588</u>	<u>54,941</u>	<u>3,183</u>	<u>10,934,766</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 189,774</u>	<u>\$ 4,320</u>	<u>\$ 16,659</u>	<u>\$ 78,364</u>	<u>\$ 4,106</u>	<u>\$ 16,597,067</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, 2024

	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	\$ 1,012,225	\$ 875,055	\$ 1,244,877	\$ 692,444	\$ 597,248	\$ 10,005
Investment income	8,259	291,729	386,249	-	-	-
Total Revenues	<u>1,020,484</u>	<u>1,166,784</u>	<u>1,631,126</u>	<u>692,444</u>	<u>597,248</u>	<u>10,005</u>
EXPENDITURES						
Debt service:						
Principal	930,032	475,000	405,000	-	-	-
Interest and fiscal charges	237,144	209,034	232,316	3,948	-	-
Total Expenditures	<u>1,167,176</u>	<u>684,034</u>	<u>637,316</u>	<u>3,948</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(146,692)</u>	<u>482,750</u>	<u>993,810</u>	<u>688,496</u>	<u>597,248</u>	<u>10,005</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	(21,966)	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(21,966)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(146,692)	482,750	971,844	688,496	597,248	10,005
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	<u>279,939</u>	<u>3,366,065</u>	<u>2,898,692</u>	<u>43,732</u>	<u>1,413,375</u>	<u>9,517</u>
FUND BALANCES - END OF YEAR	<u>\$ 133,247</u>	<u>\$ 3,848,815</u>	<u>\$ 3,870,536</u>	<u>\$ 732,228</u>	<u>\$ 2,010,623</u>	<u>\$ 19,522</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, 2024

	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	\$ 75,698	\$ 45,113	\$ 1,164	\$ 4,809	\$ 24,802	\$ 971	\$ 4,584,411
Investment income	-	-	-	-	-	-	686,237
Total Revenues	75,698	45,113	1,164	4,809	24,802	971	5,270,648
EXPENDITURES							
Debt service:							
Principal	-	-	-	-	-	-	1,810,032
Interest and fiscal charges	4,635	-	-	-	-	-	687,077
Total Expenditures	4,635	-	-	-	-	-	2,497,109
Excess (deficiency) of revenues over expenditures	71,063	45,113	1,164	4,809	24,802	971	2,773,539
OTHER FINANCING SOURCES (USES)							
Transfers out	-	-	-	-	-	-	(21,966)
Total other financing sources and uses	-	-	-	-	-	-	(21,966)
Net change in fund balance	71,063	45,113	1,164	4,809	24,802	971	2,751,573
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)	27,885	101,815	2,043	7,779	30,139	2,212	8,183,193
FUND BALANCES - END OF YEAR	\$ 98,948	\$ 146,928	\$ 3,207	\$ 12,588	\$ 54,941	\$ 3,183	\$ 10,934,766

See accompanying notes to the financial statements.