



**VILLAGE OF SHOREWOOD, WISCONSIN**

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2024



SIKICH.COM

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**TABLE OF CONTENTS**

---

	<u>Page(s)</u>
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR’S REPORT .....	1-3
Management’s Discussion and Analysis.....	MD&A 1-15
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	4-5
Statement of Activities .....	6-7
Fund Financial Statements	
Governmental Funds	
Balance Sheet .....	8-11
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	12
Statement of Revenues, Expenditures and Changes in Fund Balances.....	13-14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	15
Proprietary Funds	
Statement of Net Position.....	16-17
Statement of Revenues, Expenses and Changes in Fund Net Position .....	18
Statement of Cash Flows.....	19-20

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)**

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds

Statement of Fiduciary Net Position ..... 21

Statement of Changes in Fiduciary Net Position ..... 22

Notes to Financial Statements ..... 23-62

Required Supplementary Information

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund ..... 63-64

Proportionate Share of the Net Pension Liability (Asset)  
Wisconsin Retirement System ..... 65

Schedule of Contributions  
Wisconsin Retirement System ..... 65

Schedule of Changes in the Employer's Total OPEB Liability  
and Related Ratios  
Other Postemployment Benefit Plan ..... 66

Notes to Required Supplementary Information ..... 67

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

**MAJOR GOVERNMENTAL FUNDS**

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual

Debt Service ..... 68

General Capital Projects ..... 69

Capital Projects TID No. 3 ..... 70

Capital Projects TID No. 4 ..... 71

Capital Projects TID No. 5 ..... 72

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES (Continued)**

**NONMAJOR GOVERNMENTAL FUNDS**

Combining Balance Sheet .....	73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	74
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Library .....	75
Senior Services .....	76
Shorewood Today.....	77

## **FINANCIAL SECTION**

17335 Golf Parkway, Suite 500  
Brookfield, WI 53045  
262.754.9400

**SIKICH.COM**

## **INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Trustees  
Village of Shorewood  
Shorewood, Wisconsin

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Shorewood, Wisconsin (the Village), as of and for the year ended December 31, 2024, and the related notes to 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 above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Shorewood, Wisconsin, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these 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 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.

### **Emphasis of Matter - Error Correction**

As part of our audit for the year ended December 31, 2024 financial statements, we also audited the adjustments as described in Note 14 that were applied to restate the financial statements for the year ended December 31, 2023. In our opinion, such adjustments are appropriate and have been properly applied.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America 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's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

### *Supplementary Information*

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

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

*Sibich CPA LLC*

Brookfield, Wisconsin  
December 1, 2025

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**As of and For the Year Ended December 31, 2024**  
**(Unaudited)**

The Village of Shorewood's management offers this narrative overview and analysis of the Village's financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found preceding the independent auditor's report.

**FINANCIAL HIGHLIGHTS**

- The overall assets of the Village of Shorewood governmental activities exceeded liabilities as of December 31, 2024, by \$19.7 million (*net position*). However, due to significant non-capital related debt, the village's unrestricted net position deficit is (\$8.4 million). This is due primarily to the difference between current assets and the long-term non-capital debt outstanding. The village currently has about \$11.9 million in non-capital debt outstanding at year end, with about \$11.5 million of that amount related to Tax Increment Financing District debt. More than 97% of the village's liabilities are related to long term debt.
- The deferred outflows of the village are mostly related to the actuarial liabilities for the village's pension and OPEB post-retirement benefits. Similarly, these items are also reflected in the deferred inflows section and are updated each year based on new actuarial estimates. However the most significant component of deferred inflows is the property taxes that the village has levied for the subsequent year budget.
- As of December 31, 2024 the Village of Shorewood's governmental funds reported combined ending fund balances of \$22.6 million an increase of \$2,996,251 or 15.3% from the prior year. Approximately 39% of this total, or \$8.7 million, is available for spending at the government's discretion (*committed, assigned, and unassigned fund balance*).
- The total General Fund unassigned balance at year end was \$6.9 million or approximately 51.0% of 2024 general fund revenues. The first 30% of these reserves is, by village board policy, used for operating cash flow needs and to provide the ability of the village to respond to unforeseen contingencies and opportunities that may not have been known at the time of budget preparation. The remainder is planned to be used to manage the rate of growth of the property taxes that will be needed to meet debt service needs over the next several years.

Net position, as referred to above, results when revenues exceed expenses. When expenses exceed revenues, the result is a decrease in net position. You can think of this relationship between revenues and expenses as the Village's operating results. However, the Village's goal is to provide services that improve the quality of life for our residents, not to generate profits. For this reason, you need to consider many other non-financial factors when assessing the overall financial health of our Village.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Village of Shorewood's basic financial statements. The Village of Shorewood's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Village of Shorewood's finances in a manner similar to a private-sector business. They are presented in two statements, the Statement of Net Position and the Statement of Activities.

Both of these financial statements distinguish functions of the Village of Shorewood that are principally supported by taxes (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees (business-type activities). The governmental activities of the Village include general government, public safety, public works, health, culture and recreation, and conservation and development. The business-type activities of the Village include the Water, Sewer, and Parking Utilities. The Community Development Authority (CDA) is a component unit of the Village and is presented separately as a discrete column in the Statement of Net Position and Statement of Activities.

### STATEMENT OF NET POSITION

The following table summarizes the Village's Statements of Net Position from 2024 and 2023.

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 42,589,514	\$ 39,414,445	\$ 6,525,297	\$ 5,088,818	\$ 49,114,811	\$ 44,503,263
Net Capital assets	32,548,516	31,216,143	38,031,814	34,089,866	70,580,330	65,306,009
Total assets	75,138,030	70,630,588	44,557,111	39,178,684	119,695,141	109,809,272
Deferred outflows	4,979,056	7,465,886	553,230	821,990	5,532,286	8,287,876
Long-term debt	39,298,754	38,691,269	26,101,932	20,950,535	65,400,686	59,641,804
Other liabilities	1,036,235	1,267,003	905,598	1,906,271	1,941,833	3,173,274
Total liabilities	40,334,989	39,958,272	27,007,530	22,856,806	67,342,519	62,815,078
Deferred inflows	20,037,862	20,842,871	382,550	527,836	20,420,412	21,370,707
Net investment capital assets	14,567,397	8,978,731	16,121,874	12,373,514	30,689,271	21,352,245
Restricted	13,605,973	11,490,816	-	-	13,605,973	11,490,816
Unrestricted (deficit)	(8,429,135)	(3,174,216)	1,598,387	4,242,518	(6,830,748)	1,068,302
Net position	\$ 19,744,235	\$ 17,295,331	\$ 17,720,261	\$ 16,616,032	\$ 37,464,496	\$ 33,911,363

Changes in capital assets and long term debt are described in more detail in those sections of this report.

### ***Governmental Activities – Statement of Net Position***

Current and other assets for governmental activities primarily represent cash, investments, taxes receivable, prepaid items, internal balances, loans receivable, and net pension asset. Total current and other assets increased by \$3,553,133 or 10.48% in 2024. This was predominantly due to a larger amount of cash on hand than the previous year, preparing for continued large construction projects that will be completed in the 2025 fiscal period.

Deferred outflows are related to the village's OPEB and WRS obligations which are now reported under GASB 68.

Long Term Debt decreased by \$910,905 in 2024. This is due to various fluctuations occurring in the Village's pension plan as combined with an increase in long-term bonded debt of \$423,825

Other liabilities include accounts payable, accrued payroll, and other accrued liabilities. These decreased \$230,768 or 18.2% from the previous year. This decrease was largely due to the net pension asset fluctuation from an asset to a liability value due to the updated actuarial valuation.

Deferred inflows primarily represent unearned revenue for taxes levied in December 2025. These taxes represent revenue for the 2025 fiscal year and are not considered to be revenue in 2024.

The net investment in capital assets represents the Village's equity in its capital assets which was 44.7% of the historical cost of assets. This can be thought of as the Village's ownership in those capital assets.

A portion of the Village's net position also represents resources that are subject to external restrictions on how they may be used. Restricted net position consists of amounts with grant or donor restrictions. The remaining unrestricted net position may be used to meet ongoing obligations to citizens and creditors. It is not unusual for municipal unrestricted net position to be negative as certain expenses included in the Statement of Activities are reported on a full accrual model, such as unmatured long term debt, accrued interest payable, compensated absences and the unfunded portion of other postemployment benefits. However, these expenses are not currently due, and therefore, will be funded with future years' revenues. This timing difference between the recognition of liabilities (as incurred) and when liabilities will be paid (which determines when the Village will levy taxes for these liabilities) creates the deficit unrestricted net position.

### ***Business-Type Activities – Statement of Net Position***

Business-type activities current and other assets consist mainly of cash, accounts receivable and internal balances. These assets increased by \$1,436,479 in 2024. The increase is due predominantly to additional current resources on hand from the issuance of long-term debt to finance capital projects.

Deferred outflows are related to WRS net pension assets now recorded under GASB 68.

Long term debt increased by \$5,151,397 in 2024. The increase is due predominantly to the additional issuance of long-term debt to finance capital projects, mainly the ongoing lead-based sewer and water line replacement projects.

Other liabilities are similar to those found within the governmental activities and include accounts payable and accrued payroll liabilities. There was about a decrease of \$1,000,673 in these liabilities due to a decrease in accounts payable as projects were completed.

The net investment in capital assets represents the Village's equity in its capital assets which was 42.4% of the historical cost of assets for the village's business-type activities. This can be thought of as the Village's ownership value in those capital assets.

## STATEMENT OF ACTIVITIES

The Statement of Activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The table below summarizes the Statements of Activities for 2024 and 2023.

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
<b>Program revenues</b>						
Charges for services	\$ 1,933,051	\$ 1,945,621	\$ 5,994,304	\$ 4,976,202	\$ 7,927,355	\$ 6,921,823
Operating grants & contributions	1,037,447	1,192,913	-	-	1,037,447	1,192,913
Capital grants & contributions	190,897	147,167	-	-	190,897	147,167
<b>General revenues</b>						
Property taxes	13,535,272	15,069,864	-	-	13,535,272	15,069,864
Other revenues	5,181,682	2,676,416	244,470	142,505	5,426,152	2,818,921
<b>Total revenues</b>	<b>21,878,349</b>	<b>21,031,981</b>	<b>6,238,774</b>	<b>5,118,707</b>	<b>28,117,123</b>	<b>26,150,688</b>
<b>Expenses</b>						
General government	\$1,771,252	\$1,554,461	-	-	\$1,771,252	\$1,554,461
Public safety	7,938,974	8,091,005	-	-	7,938,974	8,091,005
Public works	4,639,722	4,983,976	-	-	4,639,722	4,983,976
Health and social services	304,135	312,156	-	-	304,135	312,156
Culture & recreation	1,430,032	1,644,582	-	-	1,430,032	1,644,582
Conservation & development	1,035,125	703,942	-	-	1,035,125	703,942
Interest on long-term debt	1,021,753	943,083	-	-	1,021,753	943,083
Parking	-	-	35,718	52,013	35,718	52,013
Water	-	-	1,966,654	1,692,955	1,966,654	1,692,955
Sewer	-	-	2,904,235	2,268,529	2,904,235	2,268,529
<b>Total expenses</b>	<b>18,140,993</b>	<b>18,233,205</b>	<b>4,906,607</b>	<b>4,013,497</b>	<b>23,047,600</b>	<b>22,246,702</b>
<b>Change in Net Position</b>						
Before Transfers	3,737,356	2,798,776	1,332,167	1,105,210	5,069,523	3,903,986
Transfers	227,938	209,733	(227,938)	(209,733)	-	-
<b>Total Change in Net Position</b>	<b>3,965,294</b>	<b>3,008,509</b>	<b>1,104,229</b>	<b>895,477</b>	<b>5,069,523</b>	<b>3,903,986</b>
Net position, Jan 1	17,295,331	14,286,822	16,616,032	15,720,555	33,911,363	30,007,377
Error Correction	(1,516,390)	-	-	-	(1,516,390)	-
Beginning Net Position Restated	15,778,941	14,286,822	16,616,032	15,720,555	32,394,973	30,007,377
<b>Net position, Dec 31</b>	<b>\$ 19,744,235</b>	<b>\$ 17,295,331</b>	<b>\$ 17,720,261</b>	<b>\$ 16,616,032</b>	<b>\$ 37,464,496</b>	<b>\$ 33,911,363</b>

Overall, the Village's governmental activities increased net position by \$3,965,294 and business type activities increased by \$1,104,229 in 2024.

Net position was restated in 2024 related to \$1,516,390 debt issued through an intergovernmental agreement that was not reported previously in 2023.

## *Significant Changes in Governmental Activities*

### **Governmental Activities – Revenues**

Program revenues are those revenues that can be directly related to a particular activity, whereas general revenues represent revenues that are not directly related to one specific function. Charges for services are primarily made up of licenses, permits, fees for service and fines. The Village's main operating grants are State resources received for highway maintenance and recycling programs. Capital grants fluctuate annually and are received to assist the Village with capital asset purchases. The table below compares governmental activities' revenues for 2024 and 2023 and significant changes are discussed below the table.

<u>Revenues</u>	<u>2024</u>	<u>2023</u>	<u>Chg</u>	<u>% chg</u>
Program revenues				
Charges for services	\$ 1,933,051	\$ 1,945,621	\$ (12,570)	-0.6%
Operating grants	1,037,447	1,192,913	(155,466)	-13.0%
Capital grants	190,897	147,167	43,730	29.7%
General revenues				
Property taxes	13,535,272	15,069,864	(1,534,592)	-10.2%
Other revenues	<u>5,181,682</u>	<u>2,676,416</u>	<u>2,505,266</u>	<u>93.6%</u>
Total revenues	<u>\$ 21,878,349</u>	<u>\$ 21,031,981</u>	<u>\$ 846,368</u>	<u>4.0%</u>

Charges for services decreased by 0.6% in 2024, staying level. Operating grants decreased by 13% in 2024. These are typical fluctuations related to police grants received based on usage of equipment.

Capital grants and contributions fluctuate annually depending on the capital projects and are typically non-recurring revenues.

In 2024, property tax revenue, which includes TIF tax incremental revenues, decreased by 10%. Property taxes accounted for 61.9% of the total governmental activities revenues in 2024.

Other revenues increased by 93.6% in 2024 primarily due to special service charges related to streetlights and a newly enforced vehicle registration charge realized in 2024.

**Governmental Activities – Expenses**

Governmental activities expenses are broken down into various functions. General government includes costs of general village administration. Costs associated with the Village’s police department, planning and building inspection, and contributions for fire and dispatch services are shown within the public safety function. The public works function includes expenses for street maintenance, winter operations, refuse, recycling, and yard waste, as well as building maintenance. Health and social services include expenses incurred for providing health programs to the general public such as health clinics as well as senior programming. Culture and recreation expenses include the costs of park maintenance, and library services. Conservation and development expenses include forestry services and economic development activities within the Village’s tax incremental financing districts.

The table below compares 2024 and 2024 expense by function. The reasons for fluctuations of more than \$100,000 and 5% of the previous year are described following the section.

Expenses	Governmental activities			
	2024	2023	Chg	% chg
General government	\$ 1,771,252	\$ 1,554,461	\$ 216,791	13.9%
Public safety	7,938,974	8,091,005	(152,031)	-1.9%
Public works	4,639,722	4,983,976	(344,254)	-6.9%
Health and social services	304,135	312,156	(8,021)	-2.6%
Culture & recreation	1,430,032	1,644,582	(214,550)	-13.0%
Conservation & development	1,035,125	703,942	331,183	47.0%
Interest on long-term debt	1,021,753	943,083	78,670	8.3%
Total Expenses	<u>\$ 18,140,993</u>	<u>\$ 18,233,205</u>	<u>\$ (92,212)</u>	<u>-0.5%</u>

General government had a \$216,791 increase in expenditures, due to budgeted increases related primarily to the outsourced finance contract and accrual fluctuations in the Village’s other postemployment benefit plan.

Public safety had a \$152,031 decrease in expenditures, due to a decrease in repairs of equipment and noncapitalized outlays and accrual fluctuations in the Village’s other postemployment benefit plan.

Public works had a \$344,254 decrease in expenditures, due to a decrease in repairs of equipment and noncapitalized outlays and accrual fluctuations in the Village’s other postemployment benefit plan.

Culture and recreation had a \$214,550 decrease in expenditures, due to a decrease in repairs of equipment and noncapitalized outlays and accrual fluctuations in the Village’s other postemployment benefit plan.

Conservation and development had a \$331,183 increase in expenditures, due to increases in repairs of equipment and noncapitalized outlays and accrual fluctuations in the Village’s other postemployment benefit plan.

### Business-Type Activities – Revenues

Unlike the governmental activities, the Village’s business-type activities are financed primarily by user charges. The Village bills water and sewer fees to its customers on a quarterly basis. Any utility bill not paid by the tax levy date is placed on the property owner’s tax bill. Parking Utility revenues are derived from the sale of monthly parking passes. A summary of these charges are shown below.

Revenues	Business-type activities			
	2024	2023	Chg	% Chg
Program revenues				
Parking	\$ 84,794	\$ 76,177	\$ 8,617	11.3%
Water	2,386,485	2,141,828	244,657	11.4%
Sewer	3,523,025	2,778,453	744,572	26.8%
Charges for services	5,994,304	4,996,458	997,846	20.0%
Other revenues	244,470	1,053	243,417	23116.5%
Total revenues	<u>\$ 6,238,774</u>	<u>\$ 4,997,511</u>	<u>\$ 1,241,263</u>	<u>24.8%</u>

Other revenues include investment income and other nominal miscellaneous revenues.

### Business-Type Activities – Expenses

The table below compares the Village’s business-type activities’ expenses from 2024 to 2023.

Expenses	Business-type activities			
	2024	2023	Chg	% Chg
Parking	\$ 35,718	\$ 52,013	\$ (16,295)	-31.3%
Water	1,966,654	1,692,955	273,699	16.2%
Sewer	2,904,235	2,268,529	635,706	28.0%
Total expenses	<u>\$ 4,906,607</u>	<u>\$ 4,013,497</u>	<u>\$ 893,110</u>	<u>22.3%</u>

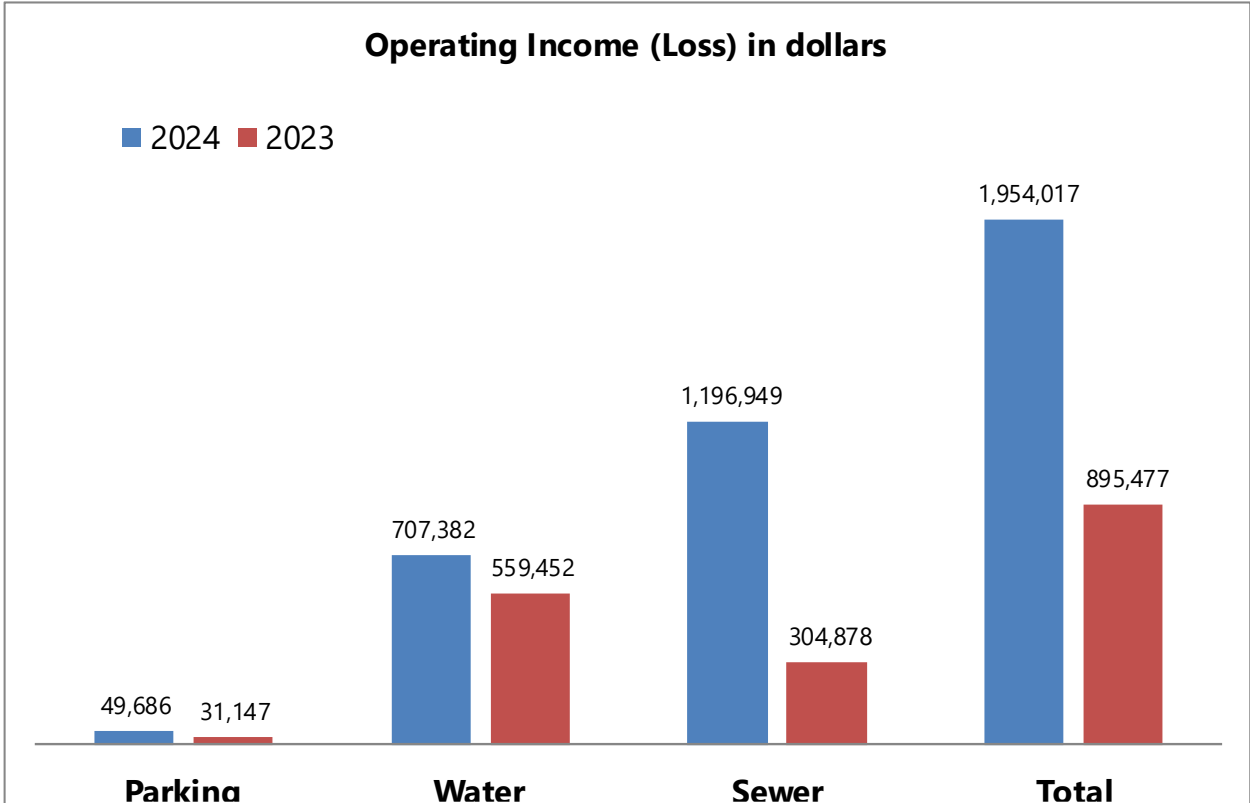
Parking expenses were reduced largely due to a reorganization of activities.

Water Utility expenses include all costs necessary to provide water to the homes and businesses within the Village. Water is purchased from the City of Milwaukee’s Water Utility, Milwaukee Water Works, so internal expenses relate chiefly to maintenance of infrastructure.

Sewer Utility expenses include all costs necessary to provide services to the homes and businesses within the Village. Waste water is conveyed from the village to the Milwaukee Metropolitan Sewer District (MMSD) for treatment, so internal expenses relate chiefly to maintenance of infrastructure. Overall, the Water and Sewer Utility operating costs remained relatively unchanged in 2024.

**Business-Type Activities – Operating Income**

It may also be useful to compare the operating income and losses for each segment between the two years. The graph below summarizes operating results as a percentage of expenses.



The Parking utility change is minimal. The Water Utility was relatively consistent with the previous year, with the Village working on a rate case filed with the Public Service Commission of Wisconsin (PSC) as a plan to increase rates in the future. Since the Sewer Utility is not subject to the rate case requirements of the PSC, the increase in the Sewer Utility rate charged to customers results in an increase in operating income in 2024 to help offset the cost of continued capital improvements as the Village works to conclude a rate increase for the Water Utility with the PSC.

Please also consider that this income is used to make the principal payments on the Utility’s outstanding debt as well as to support various equipment and other capital project costs.

## **FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Shorewood, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Village of Shorewood can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village of Shorewood maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, General Capital Projects Fund, and the Tax Incremental Financing Districts 3, 4 and 5 Funds, all of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The focus of the Village of Shorewood's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village of Shorewood's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

## **GOVERNMENTAL FUNDS – FUND BALANCE**

The Village of Shorewood’s governmental funds reported combined ending fund balances of \$22.6 Million, a \$2,996,251 or 15.3% increase from the prior year. The largest increase was attributable to the General Fund and is predominantly related to the unprecedented investment income realized by the Village during 2024.

The General Fund is the chief operating fund of the Village. At year end, total fund balance in the General Fund was \$7.3 million of which \$6.9 million was unassigned. The General Fund unassigned fund balance represents 51% of total General Fund revenues. This was an increase of \$992,282 in unassigned fund balance from the previous year, or 44.8% of total General Fund revenues from 2023. Unassigned fund balance can be thought of as the residual fund balance category within the General Fund. The General Fund’s overall fund balance increased in 2024 by \$596,250 due predominantly to continued unprecedented investment income realized by the Village during 2024.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village of Shorewood adopts an annual budget for its General Fund. A budgetary comparison schedule can be found later in this report.

Overall, the General Fund increase in excess of revenues over expenditures was \$809,442 in 2024. Other significant changes between budget and actual results are addressed below:

### **Revenues and Other Financing Sources**

- Intergovernmental revenues were \$57,766 higher than anticipated.
- Licenses and Permit revenues were about \$27,935 lower than anticipated.
- Fine revenues were about \$136,575 higher than budgetary expectations.
- Charges for services were \$156,359 more than forecasted.
- Investment income was \$500,815 greater than forecasted.
- Other revenues exceeded the budget by \$46,582 due a general increase in activity.
- Overall actual General Fund revenues in 2024 were \$870,162 more than budgeted.

## **Expenditures and Other Financing Uses**

- Overall, General Fund expenditures were over budget by 0.5% or \$60,720, predominately related to forestry and public works functions.
- General Government: These departments were all very close to budget in almost all areas except for normal budget variances.
- Public Safety: The Police Department was under budget by \$80,452 with the other departments coming in closer to forecasted amounts. This was predominately due to vacant salaried positions include in the budget.
- Public Works: These departments were all very close to budget in almost all areas except for normal budget variances. The Municipal Garage was over budget by \$63,341 due to some changes made during the fiscal year. The net fluctuations for street lighting, winter maintenance, and yard waste/leaf collection were over budget by \$33,915 as an overall net suite of services.
- Health Department/ Culture and Recreation: These departments were all very close to budget in almost all areas except for normal budget variances.
- Conservation and Development: The forestry function finished over budgeted expectations by \$30,017.

## **PROPRIETARY FUNDS**

The Village uses one type of Proprietary fund, called Enterprise funds to report the same functions presented as business-type activities in the government-wide financial statement. The Village of Shorewood uses enterprise funds to account for its Water, Sewer and Parking Utilities.

The proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. These statements also provide separate information for each utility. The basic proprietary fund financial statements can be found later in this report.

### Utility Funds

The net position of the Parking, Water, and Sewer Utilities at the end of the year was \$779,728, \$4.8 million, and \$12.1 million respectively. The total net position of the Water and Sewer Utilities are much higher than the Parking Utility as those Utilities are capital intensive. This means more of their net position is included in the category net investment in capital assets. Unrestricted net position (deficit) for the Parking, Water, and Sewer Utilities were \$504,129, (\$1,558,000), and \$2,652,258 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the Village's business-type activities.

## FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village of Shorewood's own programs. The Village maintains one fiduciary fund, the Tax Collection Fund which records the tax roll and tax collection for other taxing jurisdictions within the Village of Shorewood.

The fiduciary fund financial statement can be found later in this report.

## NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found immediately following this section of the report. The information provided below on capital assets and long-term debt can also be found within the footnotes to the financial statements.

## CAPITAL ASSETS

The Village's capital asset activity for 2024 and 2023 is summarized below.

Description	Governmental Activities		Business-type Activities	
	2024	2023	2024	2023
Land and right of way	\$ 3,499,333	\$ 3,499,333	\$ 233,345	\$ 233,345
Artwork	330,000	330,000	-	-
Construction in progress (CIP)	697,950	1,823,922	-	6,644,764
Machinery and equipment	6,751,809	6,538,254	1,393,036	1,306,080
Intangibles	69,793	69,793	-	-
Building and improvements	14,095,521	14,071,293	-	-
Infrastructure	<u>39,915,482</u>	<u>36,808,391</u>	<u>44,888,924</u>	<u>33,687,817</u>
Total Capital Assets	<u>65,359,888</u>	<u>63,140,986</u>	<u>46,515,305</u>	<u>41,872,006</u>
Less accumulated depreciation	<u>(32,811,372)</u>	<u>(31,924,843)</u>	<u>(8,483,491)</u>	<u>(7,691,140)</u>
Capital assets, net of depreciation	<u>\$ 32,548,516</u>	<u>\$ 31,216,143</u>	<u>\$ 38,031,814</u>	<u>\$ 34,180,866</u>

Additional information on the Village's capital assets can be found in Note 5 of this report.

## LONG-TERM DEBT

Wisconsin state statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total equalized valuation. The current debt limitation for the Village of Shorewood is \$119,682,675 which exceeds the Village's current outstanding general obligation debt of \$56,866,238 by \$62,816,437. This debt is entirely backed by the full faith and credit of the government. At year end the outstanding debt equaled 47.6% of the Village's state authorized debt limit.

Total general obligation debt for governmental activities increased by \$423,825 approximately during the year. The Village issued face value in new bonds of \$3,005,000 with repayments of \$2,562,723 being made. Additionally, in 2024 the Village restated beginning balances from 2023 for debt issued through an intergovernmental agreement that was not reported previously in 2023.

The total bonded debt for business-type activities increased by \$5,321,702 approximately during the year. The Village issued \$6,505,000 face value in new bonds, with repayments of debt made in accordance with the debt repayments schedules in the amount of \$1,228,201 in 2024.

The table below summarizes the ending balances of all long-term debt for 2024 and 2023.

	Governmental Activities		Business-type Activities	
	2024	2023 *	2024	2023
General obligation debt	\$ 36,067,180	\$ 35,643,355	\$ 22,430,057	\$ 16,888,355
Revenue Bonds	-	-	3,330,000	3,550,000
Pension	520,413	1,891,201	57,823	210,133
OPEB	2,288,507	2,291,468	254,279	260,204
Compensated absences	420,654	381,635	29,773	41,843
Total	<u>\$ 39,296,754</u>	<u>\$ 40,207,659</u>	<u>\$ 26,101,932</u>	<u>\$ 20,950,535</u>

\* as restated

Additional information on the Village's long-term debt can be found in Note 6 of this report.

### ***Other Information***

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to required supplementary.

## Economic Factors and Next Year's Budgets and Rates

### *General Economic Conditions*

The Village of Shorewood is located just north of Milwaukee along the shores of Lake Michigan. The village is predominantly a residential based community and has maintained strong property values due to its proximity to both downtown Milwaukee, and the University of Wisconsin Milwaukee campus which is located on the village's southern border.

Unemployment rates for the Village of Shorewood specifically are not available but would be included within Milwaukee County's unemployment rates. The largest city within Milwaukee County is the City of Milwaukee which had an unemployment rate higher than the County total. Because the City's rate is higher than the total County rate, it is estimated that the Village's unemployment rate would be lower than the County total. Historical unemployment information can be summarized as follows:

Region	2018	2019	2020	2021	2022	2023	2024
City of Milwaukee	3.7%	4.0%	6.2%	3.8%	4.2%	4.3%	4.2%
Milwaukee County	3.5%	3.6%	8.2%	2.8%	3.7%	3.8%	3.9%
State of Wisconsin	2.6%	3.3%	6.3%	2.0%	2.9%	3.0%	2.9%
United States	3.9%	3.5%	6.7%	3.9%	3.6%	3.6%	4.0%

\* All percentages are annual unemployment rates. The rate presented for the United States is an average for the year.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Shorewood's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, 3930 N. Murray Avenue, Shorewood, WI 53211.

General information relating to the Village of Shorewood, Wisconsin, can be found at the Village's website, <http://www.villageofshorewood.org>.

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

## **BASIC FINANCIAL STATEMENTS**

VILLAGE OF SHOREWOOD, WISCONSIN

STATEMENT OF NET POSITION

December 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	CDA
<b>ASSETS</b>				
Cash and Investments	\$ 31,258,782	\$ 5,314,995	\$ 36,573,777	\$ 772,434
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	8,115,830	-	8,115,830	-
Lease Receivable	256,269	-	256,269	-
Accounts Receivable	210,254	1,159,834	1,370,088	-
Other	2,617	-	2,617	-
Interest	2,740	-	2,740	-
Inventories	-	98,859	98,859	-
Prepaid Expenses	90,440	-	90,440	-
Internal Balances	48,391	(48,391)	-	-
Loans Receivable	2,604,191	-	2,604,191	-
Capital Assets				
Nondepreciable	4,527,283	233,345	4,760,628	-
Depreciable, Net of Accumulated Depreciation	28,021,233	37,798,469	65,819,702	-
<b>Total Assets</b>	<b>75,138,030</b>	<b>44,557,111</b>	<b>119,695,141</b>	<b>772,434</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Items - WRS	4,656,005	517,335	5,173,340	-
Pension Items - OPEB	323,051	35,895	358,946	-
<b>Total Deferred Outflows of Resources</b>	<b>4,979,056</b>	<b>553,230</b>	<b>5,532,286</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>80,117,086</b>	<b>45,110,341</b>	<b>125,227,427</b>	<b>772,434</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	746,310	708,743	1,455,053	-
Interest Payable	211,810	196,855	408,665	-
Unearned Revenue	80,115	-	80,115	-
Noncurrent Liabilities				
Due Within One Year	3,191,524	1,766,296	4,957,820	-
Due in More than One Year	36,105,230	24,335,636	60,440,866	-
<b>Total Liabilities</b>	<b>40,334,989</b>	<b>27,007,530</b>	<b>67,342,519</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Revenue	16,361,065	-	16,361,065	-
Deferred Inflow - Leases	233,843	-	233,843	-
Pension Items - WRS	2,786,661	309,629	3,096,290	-
Pension Items - OPEB	656,293	72,921	729,214	-
<b>Total Deferred Inflows of Resources</b>	<b>20,037,862</b>	<b>382,550</b>	<b>20,420,412</b>	<b>-</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>60,372,851</b>	<b>27,390,080</b>	<b>87,762,931</b>	<b>-</b>

(This statement is continued on the following page.)

VILLAGE OF SHOREWOOD, WISCONSIN

STATEMENT OF NET POSITION (Continued)

December 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	CDA
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 14,567,397	\$ 16,121,874	\$ 30,689,271	\$ -
Restricted for				
Capital Projects	13,602,680	-	13,602,680	-
Library Bequests	3,293	-	3,293	-
CDA Grant Activities	-	-	-	772,434
Unrestricted (Deficit)	(8,429,135)	1,598,387	(6,830,748)	-
<b>TOTAL NET POSITION</b>	<b>\$ 19,744,235</b>	<b>\$ 17,720,261</b>	<b>\$ 37,464,496</b>	<b>\$ 772,434</b>

See accompanying notes to financial statements.

VILLAGE OF SHOREWOOD, WISCONSIN

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended December 31, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General Government	\$ 1,771,252	\$ 317,537	\$ -	\$ -
Public Safety	7,938,974	1,194,570	121,044	-
Public Works	4,639,722	377,956	916,403	190,897
Health and Social Services	304,135	16,771	-	-
Culture and Recreation	1,430,032	26,217	-	-
Conservation and Development	1,035,125	-	-	-
Interest	1,021,753	-	-	-
Total Governmental Activities	18,140,993	1,933,051	1,037,447	190,897
Business-Type Activities				
Parking	35,718	84,794	-	-
Water	1,966,654	2,386,485	-	-
Sewer	2,904,235	3,523,025	-	-
Total Business-Type Activities	4,906,607	5,994,304	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 23,047,600</b>	<b>\$ 7,927,355</b>	<b>\$ 1,037,447</b>	<b>\$ 190,897</b>
<b>COMPONENT UNIT</b>				
Community Development Authority	\$ 5,690	\$ -	\$ -	\$ -

<b>Net (Expense) Revenue and Change in Net Position</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>CDA</b>
\$ (1,453,715)	\$ -	\$ (1,453,715)	\$ -
(6,623,360)	-	(6,623,360)	-
(3,154,466)	-	(3,154,466)	-
(287,364)	-	(287,364)	-
(1,403,815)	-	(1,403,815)	-
(1,035,125)	-	(1,035,125)	-
(1,021,753)	-	(1,021,753)	-
(14,979,598)	-	(14,979,598)	-
-	49,076	49,076	-
-	419,831	419,831	-
-	618,790	618,790	-
-	1,087,697	1,087,697	-
(14,979,598)	1,087,697	(13,891,901)	-
-	-	-	(5,690)
General Revenues			
Taxes			
Property Taxes, Levied for General Purposes	13,535,272	-	13,535,272
Property Taxes, Levied for Debt Service	2,276,478	-	2,276,478
Intergovernmental - Unrestricted	983,923	-	983,923
Investment Income	1,560,722	244,470	1,805,192
Miscellaneous	360,559	-	360,559
Transfers	227,938	(227,938)	-
Total	18,944,892	16,532	18,961,424
CHANGE IN NET POSITION	3,965,294	1,104,229	5,069,523
NET POSITION, JANUARY 1, AS REPORTED	17,295,331	16,616,032	33,911,363
Error Correction	(1,516,390)	-	(1,516,390)
NET POSITION, JANUARY 1, AS RESTATED	15,778,941	16,616,032	32,394,973
NET POSITION, DECEMBER 31	\$ 19,744,235	\$ 17,720,261	\$ 37,464,496
			\$ 772,434

See accompanying notes to financial statements.

**VILLAGE OF SHOREWOOD, WISCONSIN**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

December 31, 2024

	<u>General</u>	<u>Debt Service</u>	<u>General Capital Projects</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Cash and Investments	\$ 12,229,434	\$ 1,219,830	\$ 4,100,493
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	4,544,387	1,257,893	328,128
Accounts Receivable	98,324	-	79,460
Lease Receivable	256,269	-	-
Accounts Interest	-	-	-
Other	-	-	-
Prepaid Items	89,243	-	-
Loans and Long-Term Receivable	134,191	-	-
Due from Other Funds	48,391	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	17,400,239	2,477,723	4,508,081
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
None	-	-	-
	<hr/>	<hr/>	<hr/>
Total Deferred Outflows of Resources	-	-	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 17,400,239</u>	<u>\$ 2,477,723</u>	<u>\$ 4,508,081</u>

<b>Capital Projects TID No. 3</b>	<b>Capital Projects TID No. 4</b>	<b>Capital Projects TID No. 5</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 2,425,468	\$ 2,040,442	\$ 8,522,085	\$ 721,030	\$ 31,258,782
591,994	223,160	620,906	549,362	8,115,830
-	-	-	32,470	210,254
-	-	-	-	256,269
1,539	314	887	-	2,740
-	-	-	2,617	2,617
-	-	-	1,197	90,440
-	2,470,000	-	-	2,604,191
-	-	-	-	48,391
<b>3,019,001</b>	<b>4,733,916</b>	<b>9,143,878</b>	<b>1,306,676</b>	<b>42,589,514</b>
-	-	-	-	-
-	-	-	-	-
<b>\$ 3,019,001</b>	<b>\$ 4,733,916</b>	<b>\$ 9,143,878</b>	<b>\$ 1,306,676</b>	<b>\$ 42,589,514</b>

(This statement is continued on the following page.)

**VILLAGE OF SHOREWOOD, WISCONSIN**

BALANCE SHEET (Continued)  
GOVERNMENTAL FUNDS

December 31, 2024

	General	Debt Service	General Capital Projects
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 343,324	\$ 750	\$ 54,097
Accrued Liabilities	294,375	-	-
Unearned Revenue	2,790	-	75,622
Total Liabilities	640,489	750	129,719
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	9,127,155	2,547,845	664,620
Unavailable Revenue - Long Term Receivables	134,191	-	-
Deferred Inflow - Leases	233,843	-	-
Total Deferred Inflows of Resources	9,495,189	2,547,845	664,620
Total Liabilities and Deferred Inflows of Resources	10,135,678	2,548,595	794,339
<b>FUND BALANCES</b>			
Nonspendable	223,434	-	-
Restricted	-	-	2,088,437
Committed	-	-	-
Assigned	123,209	-	1,625,305
Unassigned	6,917,918	(70,872)	-
Total Fund Balances	7,264,561	(70,872)	3,713,742
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
	\$ 17,400,239	\$ 2,477,723	\$ 4,508,081

<b>Capital Projects TID No. 3</b>	<b>Capital Projects TID No. 4</b>	<b>Capital Projects TID No. 5</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 2,128	\$ -	\$ -	\$ 28,587	\$ 428,886
-	-	-	23,049	317,424
1,395	141	167	-	80,115
3,523	141	167	51,636	826,425
1,199,077	452,008	1,257,636	1,112,724	16,361,065
-	2,470,000	-	-	2,604,191
-	-	-	-	233,843
1,199,077	2,922,008	1,257,636	1,112,724	19,199,099
1,202,600	2,922,149	1,257,803	1,164,360	20,025,524
-	-	-	1,197	224,631
1,816,401	1,811,767	7,886,075	3,293	13,605,973
-	-	-	137,826	137,826
-	-	-	-	1,748,514
-	-	-	-	6,847,046
1,816,401	1,811,767	7,886,075	142,316	22,563,990
\$ 3,019,001	\$ 4,733,916	\$ 9,143,878	\$ 1,306,676	\$ 42,589,514

See accompanying notes to financial statements.

**VILLAGE OF SHOREWOOD, WISCONSIN**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

December 31, 2024

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 22,563,990</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	32,548,516
Bond premiums/discounts on bonds are expensed in the governmental funds but capitalized and amortized in the statement of net position	(712,124)
Interest payable is not reported within the governmental funds, but is recorded on the statement of net position	(211,810)
Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	2,604,191
Deferred outflows (inflows) of resources related to the Village's participation in WRS are not financial resources and, therefore, are not reported in the governmental funds	
Deferred outflows of resources	4,656,005
Deferred inflows of resources	(2,786,661)
Deferred outflows (inflows) of resources related to the Village's participation in OPEB are not financial resources and, therefore, are not reported in the governmental funds	
Deferred outflows of resources	323,051
Deferred inflows of resources	(656,293)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Net pension liability - WRS	(520,413)
Total OPEB liability	(2,288,507)
General obligation debt	(35,059,556)
General obligation notes	(295,500)
Compensated absences payable	(420,654)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 19,744,235</b>

See accompanying notes to financial statements.

**VILLAGE OF SHOREWOOD, WISCONSIN**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES**

For the Fiscal Year Ended December 31, 2024

	<b>General</b>	<b>Debt Service</b>	<b>General Capital Projects</b>
<b>REVENUES</b>			
Taxes	\$ 8,609,900	\$ 2,276,478	\$ 627,000
Intergovernmental	1,889,496	-	317,737
Licenses and Permits	425,265	-	-
Fines and Fees	636,575	-	-
Charges for Services	721,988	-	-
Investment Income	940,415	-	-
Miscellaneous	230,679	-	2,095
<b>Total Revenues</b>	<b>13,454,318</b>	<b>2,276,478</b>	<b>946,832</b>
<b>EXPENDITURES</b>			
Current			
General Government	1,669,992	-	-
Public Safety	7,929,782	-	-
Public Works	2,577,254	-	-
Health and Social Services	108,212	-	-
Culture and Recreation	214,512	-	-
Conservation and Development	360,124	-	-
Capital Outlay	-	-	3,829,908
Debt Service			
Principal Retirement	-	2,661,223	-
Interest and Fiscal Charges	-	1,113,573	55,452
<b>Total Expenditures</b>	<b>12,859,876</b>	<b>3,774,796</b>	<b>3,885,360</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>594,442</b>	<b>(1,498,318)</b>	<b>(2,938,528)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	397,938	1,427,446	-
Transfers (Out)	(396,130)	-	-
Sale of Capital Assets	-	-	58,585
Issuance of Bonds	-	-	3,005,000
Premium on Issuance of Bonds	-	-	153,353
<b>Total Other Financing Sources (Uses)</b>	<b>1,808</b>	<b>1,427,446</b>	<b>3,216,938</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>596,250</b>	<b>(70,872)</b>	<b>278,410</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>6,668,311</b>	<b>-</b>	<b>3,435,332</b>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ 7,264,561</b>	<b>\$ (70,872)</b>	<b>\$ 3,713,742</b>

<b>Capital Projects TID No. 3</b>	<b>Capital Projects TID No. 4</b>	<b>Capital Projects TID No. 5</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,176,492	\$ 473,613	\$ 1,563,317	\$ 1,084,950	\$ 15,811,750
2,943	198	1,893	-	2,212,267
-	-	-	-	425,265
-	-	-	-	636,575
-	-	-	149,223	871,211
81,953	177,073	361,281	-	1,560,722
21,600	105,000	-	170,111	529,485
1,282,988	755,884	1,926,491	1,404,284	22,047,275
-	-	-	101,753	1,771,745
-	-	-	-	7,929,782
-	-	-	-	2,577,254
-	-	-	193,497	301,709
-	-	-	1,002,148	1,216,660
656,789	4,220	17,461	-	1,038,594
-	-	-	-	3,829,908
-	-	-	-	2,661,223
-	-	-	-	1,169,025
656,789	4,220	17,461	1,297,398	22,495,900
626,199	751,664	1,909,030	106,886	(448,625)
-	-	-	-	1,825,384
(45,478)	(543,713)	(442,125)	(170,000)	(1,597,446)
-	-	-	-	58,585
-	-	-	-	3,005,000
-	-	-	-	153,353
(45,478)	(543,713)	(442,125)	(170,000)	3,444,876
580,721	207,951	1,466,905	(63,114)	2,996,251
1,235,680	1,603,816	6,419,170	205,430	19,567,739
\$ 1,816,401	\$ 1,811,767	\$ 7,886,075	\$ 142,316	\$ 22,563,990

See accompanying notes to financial statements.

**VILLAGE OF SHOREWOOD, WISCONSIN**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended December 31, 2024

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 2,996,251</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	3,668,557
Proceeds from the disposal of capital assets are recognized in governmental funds but the loss is recognized in the statement of activities	(307,234)
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	2,661,223
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	73,305
Revenues in the statement of activities that are not available in governmental funds are not reported as revenue in governmental funds until received	(168,926)
The issuance of bonds is reported as an other financing source in governmental funds, but as an increase of principal outstanding on the statement of activities	
Bonds issued	(3,005,000)
Premium on bonds issued	(153,353)
Changes in the total OPEB liability are reported only in the statement of activities	2,961
The change in the net pension liability/asset is reported as an expense on the statement of activities	
WRS	1,370,788
The change in deferred outflows (inflows) of resources is reported as an expense on the statement of activities	
WRS	(1,219,555)
OPEB	40,279
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	
Depreciation	(2,028,950)
Change in compensated absences	(39,019)
Change in interest payable	73,967
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 3,965,294</b>

See accompanying notes to financial statements.

VILLAGE OF SHOREWOOD, WISCONSIN

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

December 31, 2024

	Business-Type Activities			Total
	Water Utility	Sewer Utility	Parking (Nonmajor)	
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 2,419,585	\$ 2,410,365	\$ 485,045	\$ 5,314,995
Receivables	494,538	664,821	475	1,159,834
Inventory	98,859	-	-	98,859
Due from Other Funds	-	-	24,204	24,204
Total Current Assets	3,012,982	3,075,186	509,724	6,597,892
<b>NONCURRENT ASSETS</b>				
Capital Assets				
Nondepreciable	-	-	233,345	233,345
Depreciable, Net of Accumulated Depreciation	10,948,812	26,805,649	44,008	37,798,469
Total Capital Assets	10,948,812	26,805,649	277,353	38,031,814
Total Noncurrent Assets	10,948,812	26,805,649	277,353	38,031,814
Total Assets	13,961,794	29,880,835	787,077	44,629,706
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Items - WRS	258,668	258,667	-	517,335
Pension Items - OPEB	17,948	17,947	-	35,895
Total Deferred Outflows of Resources	276,616	276,614	-	553,230
Total Assets and Deferred Outflows of Resources	14,238,410	30,157,449	787,077	45,182,936
<b>CURRENT LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	105,335	597,813	5,595	708,743
Accrued Interest Payable	67,863	128,992	-	196,855
Current Portion of Debt	588,497	1,177,799	-	1,766,296
Due to Other Funds	-	72,595	-	72,595
Total Current Liabilities	761,695	1,977,199	5,595	2,744,489
<b>NONCURRENT LIABILITIES</b>				
General Obligation Debt	8,325,292	12,594,476	1,754	20,921,522
Revenue Bonds	-	3,100,000	-	3,100,000
Compensated Absences	5,147	14,626	-	19,773
Net Pension Liability - WRS	28,912	28,911	-	57,823
Total OPEB Liability	118,259	118,259	-	236,518
Total Noncurrent Liabilities	8,477,610	15,856,272	1,754	24,335,636
Total Liabilities	9,239,305	17,833,471	7,349	27,080,125

(This statement is continued on the following page.)

VILLAGE OF SHOREWOOD, WISCONSIN

STATEMENT OF NET POSITION (Continued)  
 PROPRIETARY FUNDS

December 31, 2024

	<b>Business-Type Activities</b>			<b>Total</b>
	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Parking (Nonmajor)</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Items - WRS	\$ 154,814	\$ 154,815	\$ -	\$ 309,629
Pension Items - OPEB	36,460	36,461	-	72,921
Total Deferred Inflows of Resources	191,274	191,276	-	382,550
Total Liabilities and Deferred Inflows of Resources	9,430,579	18,024,747	7,349	27,462,675
<b>NET POSITION</b>				
Net Investment in Capital Assets	6,365,831	9,480,444	275,599	16,121,874
Unrestricted (Deficit)	(1,558,000)	2,652,258	504,129	1,598,387
<b>TOTAL NET POSITION</b>	<b>\$ 4,807,831</b>	<b>\$ 12,132,702</b>	<b>\$ 779,728</b>	<b>\$ 17,720,261</b>

See accompanying notes to financial statements.

**VILLAGE OF SHOREWOOD, WISCONSIN**

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

For the Fiscal Year Ended December 31, 2024

	<u>Business-Type Activities</u>			<u>Total</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Parking (Nonmajor)</u>	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 2,386,485	\$ 3,523,025	\$ 84,794	\$ 5,994,304
Total Operating Revenues	2,386,485	3,523,025	84,794	5,994,304
<b>OPERATING EXPENSES</b>				
Operations and Maintenance	1,361,572	1,816,034	29,608	3,207,214
Depreciation and Amortization	317,531	510,042	5,500	833,073
Total Operating Expenses	1,679,103	2,326,076	35,108	4,040,287
OPERATING INCOME	707,382	1,196,949	49,686	1,954,017
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment Income	158,918	61,608	23,944	244,470
Interest Expense	(287,551)	(578,159)	(610)	(866,320)
Total Non-Operating Revenues (Expenses)	(128,633)	(516,551)	23,334	(621,850)
NET INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	578,749	680,398	73,020	1,332,167
<b>TRANSFERS</b>				
Transfers (Out)	(195,000)	(12,000)	(20,938)	(227,938)
Total Transfers	(195,000)	(12,000)	(20,938)	(227,938)
CHANGE IN NET POSITION	383,749	668,398	52,082	1,104,229
NET POSITION, JANUARY 1	4,424,082	11,464,304	727,646	16,616,032
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 4,807,831</b>	<b>\$ 12,132,702</b>	<b>\$ 779,728</b>	<b>\$ 17,720,261</b>

See accompanying notes to financial statements.

VILLAGE OF SHOREWOOD, WISCONSIN

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Fiscal Year Ended December 31, 2024

	<u>Business-Type Activities</u>			<u>Total</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Parking (Nonmajor)</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customer and Users	\$ 2,493,331	\$ 3,457,992	\$ 84,319	\$ 6,035,642
Payments to Suppliers	(900,030)	(1,501,347)	(24,657)	(2,426,034)
Payments to Employees	(481,019)	(387,901)	(6,144)	(875,064)
Net Cash from Operating Activities	<u>1,112,282</u>	<u>1,568,744</u>	<u>53,518</u>	<u>2,734,544</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Receipts (Payments) on Interfund Loans	-	(70,574)	23,524	(47,050)
Transfers In (Out)	(195,000)	(12,000)	(20,938)	(227,938)
Net Cash from Noncapital Financing Activities	<u>(195,000)</u>	<u>(82,574)</u>	<u>2,586</u>	<u>(274,988)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Assets Purchased	(1,889,774)	(3,748,439)	-	(5,638,213)
Proceeds from Long-Term Debt Issued	2,505,000	4,000,000	-	6,505,000
Principal Payments on Long-Term Debt	(482,969)	(905,232)	(60,000)	(1,448,201)
Interest Payments on Long-Term Debt	(172,502)	(463,266)	(1,479)	(637,247)
Net Cash from Capital and Related Financing Activities	<u>(40,245)</u>	<u>(1,116,937)</u>	<u>(61,479)</u>	<u>(1,218,661)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	158,918	61,608	23,944	244,470
Net Cash from Investing Activities	<u>158,918</u>	<u>61,608</u>	<u>23,944</u>	<u>244,470</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,035,955	430,841	18,569	1,485,365
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,383,630</u>	<u>1,979,524</u>	<u>466,476</u>	<u>3,829,630</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 2,419,585</u>	<u>\$ 2,410,365</u>	<u>\$ 485,045</u>	<u>\$ 5,314,995</u>

(This statement is continued on the following page.)

VILLAGE OF SHOREWOOD, WISCONSIN

STATEMENT OF CASH FLOWS (Continued)  
 PROPRIETARY FUNDS

For the Fiscal Year Ended December 31, 2024

	<u>Business-Type Activities</u>			<u>Total</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Parking (Nonmajor)</u>	
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating Income	\$ 707,382	\$ 1,196,949	\$ 49,686	\$ 1,954,017
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities				
Depreciation and Amortization	317,531	510,042	5,500	833,073
Changes in Assets and Liabilities				
Accounts Receivable	106,846	(65,033)	(475)	41,338
Inventory	(36,402)	-	-	(36,402)
Accounts Payable and Accrued Liabilities	43,775	(53,234)	(1,193)	(10,652)
Pension Items - WRS	(8,403)	(8,403)	-	(16,806)
OPEB Items	(8,977)	(8,977)	-	(17,954)
Compensated Absences	(9,470)	(2,600)	-	(12,070)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 1,112,282</u>	<u>\$ 1,568,744</u>	<u>\$ 53,518</u>	<u>\$ 2,734,544</u>
<b>NONCASH TRANSACTIONS</b>				
Capital Assets in Accounts Payable	\$ -	\$ 466,811	\$ -	\$ 466,811
<b>TOTAL NONCASH TRANSACTIONS</b>	<u>\$ -</u>	<u>\$ 466,811</u>	<u>\$ -</u>	<u>\$ 466,811</u>

See accompanying notes to financial statements.

**VILLAGE OF SHOREWOOD, WISCONSIN**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND**

December 31, 2024

---

	<b>Tax Collection Agency Fund</b>
	<u>                    </u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 18,598,362
Property Tax Receivable	<u>18,869,155</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 37,467,517</u></u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 84,981
Due to Other Taxing Units	<u>37,382,536</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 37,467,517</u></u>

See accompanying notes to financial statements.

**VILLAGE OF SHOREWOOD, WISCONSIN**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND**

For the Fiscal Year Ended December 31, 2024

---

	<b>Tax Collection Agency Fund</b>
	<u>                    </u>
<b>REVENUES</b>	
Tax Collection	\$ 42,857,690
Miscellaneous	11,755
	<u>                    </u>
Total Revenues	<u>42,869,445</u>
 <b>EXPENSES</b>	
Tax Distributions	42,857,690
Other Expenses	11,755
	<u>                    </u>
Total Expenses	<u>42,869,445</u>
 CHANGE IN NET POSITION	-
 NET POSITION, JANUARY 1	<u>-</u>
 NET POSITION, DECEMBER 31	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

# VILLAGE OF SHOREWOOD, WISCONSIN

## NOTES TO FINANCIAL STATEMENTS

December 31, 2024

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Shorewood, Wisconsin (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

#### A. Reporting Entity

The accompanying financial statements include all of the funds of the Village of Shorewood (the Village) and its component units, entities for which the Village is considered to be financially accountable. Blended component units are, in substance, part of the Village's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the Village. The Village does not report any blended component units. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government.

#### Discretely Presented Component Units

The Village of Shorewood Business Improvement District (BID) was established in 1999 by the Village. The BID is a legally separate organization whose board is appointed by the Village president. The BID does not provide a financial benefit or burden to the Village as the Village cannot access the BID's resources, and is not obligated for any deficits or debt issued by the BID. Wisconsin Statutes provide for circumstances whereby the Village can impose its will on the BID as the Village board approves the BID's annual budget and changes to the BID's assessment methods. Wisconsin Statutes were amended to allow the Village to exclude the BID from these financial statements and are therefore not included in the government-wide financial statements.

Separately issued financial statements of the Village of Shorewood Business Improvement District may be obtained from the BID's office.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

The Shorewood Community Development Authority (CDA) was established by the Village in 1993 as the Village's housing and redevelopment authority. The board of the CDA is appointed by the Village president. The CDA does not provide a financial benefit or burden to the Village as the Village cannot access the CDA's resources, and is not obligated for any deficits or debt issued by the CDA. The Village is not able to impose its will on the CDA under the criteria included in GASB standards. While the CDA may not meet the tests to be considered a component unit of the Village, management has determined that the exclusion of the CDA from the Village's reporting entity would be misleading. Therefore, the CDA is considered to be a component unit of the Village and any financial activity or net position of the CDA would be discretely presented. The CDA does not issue financial statements separate from the Village of Shorewood.

B. Fund Accounting

The Village uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds restricted, committed or assigned for acquisition or construction of major capital assets (capital projects funds) and funds restricted, committed or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting (Continued)**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The Village reports its Tax Collection Fund as a Custodial Fund. This fund primarily accounts for property tax collections made on behalf of other organizations.

**C. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of material interfund activity has been eliminated from these statements. The costs for interfund services provided/used between funds are not eliminated in the process of the consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 shared revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Debt Service Fund is used to account for and report resources that are restricted, committed or assigned to expenditure for principal and interest.

The General Capital Projects Fund is used to account for and report financial resources restricted, committed or assigned to expenditures for Village-wide capital outlay.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Government-Wide and Fund Financial Statements (Continued)**

The Tax Incremental District (TID) No. 3 Fund is used to account for and report financial resources restricted, committed or assigned to expenditures outlined in the TID project plan which are primarily capital related. The Village has elected to report this fund as major.

The Tax Incremental District (TID) No. 4 Fund is used to account for and report financial resources restricted, committed or assigned to expenditures outlined in the TID project plan which are primarily capital related.

The Tax Incremental District (TID) No. 5 Fund is used to account for and report financial resources restricted, committed or assigned to expenditures outlined in the TID project plan which are primarily capital related.

The Village reports the following major proprietary fund:

The Water Utility Fund is used to account for operations of the water system.

The Sewer Utility Fund is used to account for operations of the sewer system.

The Village reports the Tax Collection Fund as a Custodial Fund to account for property tax collections made on behalf of other organizations.

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, except property taxes which use a 60-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due, unless due the first day of the following fiscal year.

Property taxes are considered to be revenue for the fiscal year they are intended to finance. Interest on investments is recognized as revenue when earned and received within the period of availability (within 90 days of year-end). Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 90 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 90 days of year end). All other revenue items are considered to be measurable and available only when cash is received.

**E. Cash and Investments**

**Cash and Cash Equivalents**

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 and cash equivalents.

**Investments**

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all other investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**VILLAGE OF SHREWOOD, WISCONSIN**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

F. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the Village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying custodial fund statement of fiduciary net position.

Property Tax Calendar - 2023 Tax Roll:

Lien Date and Levy Date	December 2023
Tax Bills Mailed	December 2023
Payment in Full, or	January 31, 2024
First Installment Due	January 31, 2024
Second Installment Due	March 31, 2024
Third Installment Due	May 31, 2024
Personal Property Taxes in Full	January 31, 2024
Tax Sale - 2023 Delinquent Real Estate Taxes	October 2026

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water, sewer, and parking utilities because they have the right by law to place substantially all delinquent bills on the tax roll.

G. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for operations and maintenance work. They are not for resale. The proprietary fund inventories are expensed as consumed, and are valued using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recognized on the consumption method in governmental funds.

VILLAGE OF SHREWOOD, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

Capital assets include property, plant, equipment, intangibles, and infrastructure assets (e.g. roads, alleys, street lights and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for general capital assets, \$20,000 for infrastructure assets, and an estimated useful life in excess of two years. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their acquisition 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 capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. The water utility depreciation methodology has been established by the Public Service Commission of Wisconsin which regulates the utility. Their method of depreciation uses that average plant in service during the year and applies a depreciation factor to the various plant classifications based on their standards to expense depreciation costs. For all other capital assets, 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:

	<u>Years</u>
Building and Improvements	10-50
Infrastructure	20-50
Intangibles	5-10
Machinery and Equipment	5-20
Utility System	14-100

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial 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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Village has items that qualify for reporting in this category, the amounts related to pensions and other postemployment health care benefits.

In addition to liabilities, the statement of financial 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

The Village reports deferred inflows of resources for property taxes levied but supporting the subsequent years' budget. These deferred inflows are reported on both the governmental fund and the government-wide financial statements. Additionally, the Village reports unavailable revenue within its governmental funds balance sheet. The governmental funds report unavailable revenues for revenues which are earned and measurable but not available. These amounts are recognized as an inflow of resources in the period that the amounts become available.

**J. Wisconsin Retirement System**

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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.

**K. Other Postemployment Benefits**

For purposes of measuring the net other postemployment health care benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense and information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by WRS. 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

L. Compensated Absences

Under terms of employment, employees are granted sick pay benefits and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at year end are determined on the basis of current salary rates and include salary related payments.

The Village allows employees to earn vacation time during the year which would be eligible for payment upon separation from Village service. The liability for vacation time is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental fund financial statements only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefit where applicable.

The Village also recognizes a liability for active employees' sick leave earned which may be paid out in the future. This liability is reported as vested compensated absences in either the governmental activities or the business-type activities, as appropriate.

Employees earn sick leave at various rates. Employees hired before January 1, 2013 who retire under Wisconsin Retirement System rules, can choose to have 50% of their accumulated sick leave either paid out to them or held by the Village to pay for their portion of health insurance premiums. The maximum amount of sick leave that can be accumulated varies depending on the employee's years of service. The Village funds these benefits on a pay-as-you-go basis and funding generally comes from the Village's General Fund. The remaining unused sick leave bank for these retirees is reported as a government-wide liability.

The Village implemented GASB Statement 101, *Compensated Absences* for fiscal year ending December 31, 2024. A liability is recognized for the portion of accumulating sick leave benefits that is estimated to be more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

As a result of the implementation of GASB Statement 101, *Compensated Absences*, beginning net position was not required to be restated as the amounts were determined to be immaterial.

M. Other Postemployment Benefits

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Other Postemployment Benefits (Continued)**

The Village will pay a portion of health insurance premiums for employees retiring under certain conditions until the employee reaches age 65. Some employees retiring over the age of 65 are allowed to remain on the Village's health insurance plan, with Medicare primary; however, the retiree must pay the cost of the premium. Exact eligibility and benefit provisions are based on contractual agreements with employee groups, local ordinances, or employee benefit policies.

The Village funds these benefits on a pay-as-you-go basis and funding is expected to come primarily from the Village's General Fund and Water and Sewer Utilities. The Village has obtained an actuarial evaluation to determine the cost of these benefits. A liability is reported on the government-wide financial statements as a governmental activities or the business-type activities liability, as appropriate.

**N. Long-Term Obligations/Conduit Debt**

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debt (plus any premiums) is reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the straight-line method. The balance at year end for premiums/discounts, as applicable, is shown as an increase or decrease in the liability section of the statement of net position.

The Village may approve the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. In 2012, the Village's component unit, CDA issued \$2,800,000 of subordinate redevelopment revenue bonds. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the Village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

O. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of GASB pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

P. Fund Balances/Net Position

Government Wide Statements

Equity is classified as net position and displayed in three components: net investment in capital assets, restricted net position, and unrestricted net position.

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that do not meet the definitions of "restricted" or "net investment in capital assets."

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 Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

P. Fund Balances/Net Position (Continued)

Fund Statements (Continued)

Restricted - fund balance is reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. This action must occur prior to year end. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority is the Village board and commitments made by the Village board are done through the adoption of a resolution passed by the majority of the seven-member board.

Assigned - includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing board itself or (b) a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Further, assigned fund balance includes all remaining amounts (excluding negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted or committed.

The Village board adopted Resolution No. 2011-43, *To Establish a Fund Balance Policy*, which authorized the Village Manager to assign amounts to a specific purpose.

Unassigned - fund balance is the residual classification for the General Fund and negative fund balances within other governmental funds.

The Village's fund balance policy also specifies that when multiple classifications of fund balance are available, that fund balance shall be spent in the following order: restricted, committed, assigned then unassigned.

The Village's fund balance policy includes a minimum fund balance policy. This policy states that the Village shall maintain its unassigned fund balance at a minimum of 30% of total General Fund annual revenues. The purpose of the first 25% of this balance is to provide adequate cash flow during the year. Any use of these funds would require a two-thirds vote of the Village board. The additional 5% is to provide the ability of the Village to respond to unforeseeable contingencies and opportunities that may not have been known at the time of budget preparation. Any use of the 5% fund balance referred to above must be replenished during the next budget process. These uses are subject to approval by the Village board.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

P. Fund Balances/Net Position (Continued)

Fund Statements (Continued)

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

Q. Program Revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

R. Proprietary Fund Revenues

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

S. Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

**2. LIMITATIONS OF THE VILLAGE'S TAX LEVY**

The State of Wisconsin's legislature has acted to limit the Village's future tax levies. Generally, the Village's non-debt tax levy is limited to its prior year tax levy dollar amount (excluding TID Districts), plus the percentage change in the Village's equalized value due to new construction and any decrease in our debt service payments for debt issued prior to July 2005. There is no cap on taxes required to be levied for debt service.

**2. LIMITATIONS OF THE VILLAGE'S TAX LEVY (Continued)**

Municipalities can carry forward up to ½ of 1% of their prior year unused capacity with a majority vote of the Village board or up to 1½% of their prior year unused capacity with a super majority vote of the Village board.

The State of Wisconsin's legislature can amend these limits at any time. Current regulations allowing for the conversion of pre-July 2005 debt service levy from debt to operating may not continue to be in effect for future years. Other changes to the levy limit calculation could also impact the Village in future years.

**3. DEPOSITS AND INVESTMENTS**

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

Investment of Village funds is restricted by Wisconsin State Statutes. To protect itself against credit risk exposure, the Village's investment policy regarding investment instruments follows Wisconsin Statutes. Available investments are limited to:

Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.

Bonds or securities of any county, city, drainage district, technical college district, Village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or by the Wisconsin Aerospace Authority.

Bonds or securities issued or guaranteed by the federal government.

The local government investment pool.

Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

Securities of an open-end management investment company or investment trust, subject to various conditions, and investment options.

Repurchase agreements with public depositories, with certain conditions.

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**3. DEPOSITS AND INVESTMENTS (Continued)**

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 year end, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

**A. Village Deposits with Financial Institutions**

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy requires all deposits above Federal Depository Insurance limits to be collateralized by securities specifically pledged to the Village. The collateral shall be in U.S. Treasury, U.S. Government agencies, U.S. Government guaranteed securities or general obligations of states of municipalities and held by the Village's agent in the Village's name. Collateral for time deposits or certificates of deposit shall be valued at market value at least monthly and be at least 105% of the investment after the effect of FDIC and state guarantee fund coverage. The Village does not have any deposits exposed to custodial credit risk as all are either insured or collateralized, held by the Village's agent in the name of the Village.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), and \$250,000 for interest-bearing demand deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. Due to the relatively small size of the Guarantee Fund in relationship to total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

**B. Village Investments**

The following table presents the maturities of investments subject to interest rate risk as of December 31, 2024:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Municipal Bonds	\$ 1,165,750	\$ 874,825	\$ -	\$ 290,925	\$ -
U.S. Agencies	1,446,280	487,890	958,390	-	-
Negotiable CDs	249,118	249,118	-	-	-
<b>TOTAL</b>	<b>\$ 2,861,148</b>	<b>\$ 1,611,833</b>	<b>\$ 958,390</b>	<b>\$ 290,925</b>	<b>\$ -</b>

**3. DEPOSITS AND INVESTMENTS (Continued)**

**B. Village Investments (Continued)**

Maturities represented above assume that all investments are held until the final maturity date.

The Village's investment policy restricts investments to those with a maturity date less than five years. The investment of reserve funds will also be laddered so that the securities mature to meet the cash requirements of the Village, thereby avoiding the need to sell securities on the open market prior to maturity in order to meet cash flow needs.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Additionally, the Village categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Village has the following recurring fair value measurements as of December 31, 2024: The U.S. agency securities, municipal bonds and negotiable certificates of deposits are valued using a matrix pricing model (Level 2 inputs).

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investments are restricted in accordance with Wisconsin Statutes section 66.0603. As of December 31, 2024, The municipal bonds were rated Aa1 to Aa3 and the U.S. agencies were rated Aaa by Moody's. LGIP and negotiable certificates of deposit are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. As of December 31, 2024, all of the Village's investments that were not covered by SIPC were exposed to custodial credit risk.

Concentration of credit risk is the risk that the Village has a high percentage of its investments in one type of investment. As of December 31, 2024, the Village had no investments that exposed it to concentration of credit risk.

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**4. RECEIVABLES**

Delinquent personal property taxes have been shown net of an allowance for uncollectible accounts. All other receivables on the balance sheet are expected to be collected within one year.

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Loans Receivable

The Neighborhood Loan Program is designed to assist residents in purchasing or making certain improvements to homes within the Village. All loans are non-interest-bearing. Loans issued prior to 2016 are only due upon refinancing or sale of the property. Loans issued after 2016 have a two-year payment deferral followed by an eight-year repayment schedule. The maximum loan amount is \$20,000. As of December 31, 2024, there were ten loans outstanding at year end.

The Private Lead Lateral Program is designed to assist residents in replacing the lead water service laterals in conjunction with municipal utility projects. All loans are non-interest-bearing, and are repaid over a five-year period through special assessments levied on the property. As of December 31, 2024, there were 56 participants with outstanding balances at year end.

Other Loans Receivable is a loan to the developer totaling \$3,535,000. This loan bears interest of 2.00% to 3.50% which is due bi-annually. Interest payments began in 2012; annual principal payments of between \$100,000 and \$125,000 are due beginning December 2015 through December 2027. The remaining balance on the loan of \$2,470,000 is due on December 1, 2028. This loan will be repaid through revenues generated by the completed project and is additionally secured through a second mortgage on the property. Funding for this loan was obtained through a debt issuance completed in 2012.

Loans outstanding at year-end are as follows:

Program	Amount Approved	Balances January 1	Additions	Deletions	Balances December 31	Current Portion
Neighborhood Loan Program	\$ 535,000	\$ 165,617	\$ -	\$ 44,026	\$ 121,591	\$ 5,625
Private Lead Lateral Program	150,000	32,500	-	19,900	12,600	-
Other Loans - Lighthouse	3,535,000	2,575,000	-	105,000	2,470,000	105,000
<b>TOTAL</b>	<b>\$ 4,220,000</b>	<b>\$ 2,773,117</b>	<b>\$ -</b>	<b>\$ 161,525</b>	<b>\$ 2,604,191</b>	<b>\$ 110,625</b>

**VILLAGE OF SHREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2024 is as follows:

	Balances January 1	Additions	Retirements	Balances December 31
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 3,499,333	\$ -	\$ -	\$ 3,499,333
Artwork	330,000	-	-	330,000
Construction in Progress	1,823,922	2,994,348	4,120,320	697,950
Total Capital Assets not Being Depreciated	5,653,255	2,994,348	4,120,320	4,527,283
Capital Assets Being Depreciated				
Machinery and Equipment	6,538,254	638,356	424,801	6,751,809
Intangible Assets Software	69,793	-	-	69,793
Building and Improvements	14,071,293	24,228	-	14,095,521
Infrastructure	36,808,391	4,131,945	1,024,854	39,915,482
Total Capital Assets Being Depreciated	57,487,731	4,794,529	1,449,655	60,832,605
Less Accumulated Depreciation for				
Machinery and Equipment	3,662,779	455,204	420,205	3,697,778
Intangible Assets Software	69,793	-	-	69,793
Building and Improvements	5,724,120	368,289	-	6,092,409
Infrastructure	22,468,151	1,205,457	722,216	22,951,392
Total Accumulated Depreciation	31,924,843	2,028,950	1,142,421	32,811,372
Total Capital Assets Being Depreciated, Net	25,562,888	2,765,579	307,234	28,021,233
<b>TOTAL GOVERNMENTAL ACTIVITIES, NET</b>	<b>\$ 31,216,143</b>	<b>\$ 5,759,927</b>	<b>\$ 4,427,554</b>	<b>\$ 32,548,516</b>

Depreciation expense was charged to functions of the governmental activities as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	
General Government	\$ 52,267
Public Safety	133,838
Public Works	1,619,994
Health and Social Services	719
Culture and Recreation	222,132
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,028,950</b>

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. CAPITAL ASSETS (Continued)**

	Balances January 1	Additions	Retirements	Balances December 31
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 233,345	\$ -	\$ -	\$ 233,345
Construction in Progress	6,644,764	2,745,075	9,389,839	-
Total Capital Assets not Being Depreciated	6,878,109	2,745,075	9,389,839	233,345
Capital Assets Being Depreciated				
Water Utility System	11,460,811	1,802,819	40,722	13,222,908
Sewer Collection System	21,725,437	9,439,010	-	31,164,447
Parking Improvements	501,569	-	-	501,569
Machinery and Equipment	1,306,080	86,956	-	1,393,036
Total Capital Assets Being Depreciated	34,993,897	11,328,785	40,722	46,281,960
Less Accumulated Depreciation for				
Water Utility System	2,182,830	277,986	40,722	2,420,094
Sewer Collection System	4,332,364	459,954	-	4,792,318
Parking Improvements	452,062	5,500	-	457,562
Machinery and Equipment	723,884	89,633	-	813,517
Total Accumulated Depreciation	7,691,140	833,073	40,722	8,483,491
Total Capital Assets Being Depreciated, Net	27,302,757	10,495,712	-	37,798,469
<b>TOTAL BUSINESS-TYPE ACTIVITIES, NET</b>	<b>\$ 34,180,866</b>	<b>\$ 13,240,787</b>	<b>\$ 9,389,839</b>	<b>\$ 38,031,814</b>

Depreciation expense was charged to functions of the business type activities as follows:

**GOVERNMENTAL ACTIVITIES**

Water	\$ 317,531
Sewer	510,042
Parking	5,500
	<u>5,500</u>

**TOTAL DEPRECIATION EXPENSE -  
BUSINESS TYPE ACTIVITIES**

**\$ 833,073**

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT**

**A. Changes in Long-Term Liabilities**

During the fiscal year, the following changes occurred in liabilities reported in the governmental activities:

	Balances January 1, Restated (3)	Additions	Retirements	Balances December 31	Current Portion
General Obligation Debt (3)	\$ 34,617,279	\$ 3,005,000	\$ 2,562,723	\$ 35,059,556	\$ 2,683,171
General Obligation Note					
Direct Placement	394,000	-	98,500	295,500	98,500
Unamortized Bond					
Premium	632,076	153,353	73,305	712,124	-
Compensated Absences					
Payable (2)	381,635	39,019	-	420,654	250,000
Net Pension Liability - WRS (1)	1,891,201	-	1,370,788	520,413	-
Total OPEB Liability (1)	2,291,468	-	2,961	2,288,507	159,853
<b>TOTAL GENERAL LONG-TERM DEBT</b>	<b>\$ 40,207,659</b>	<b>\$ 3,197,372</b>	<b>\$ 4,108,277</b>	<b>\$ 39,296,754</b>	<b>\$ 3,191,524</b>

- (1) Primarily retired by the General Fund.
- (2) The amount displayed as additions or reductions represents the net change in the liability.
- (3) Beginning balances were restated due to an error correction. See Note 14 for additional information.

During the fiscal year, the following changes occurred in liabilities reported in the business-type activities:

	Balances January 1	Additions	Retirements	Balances December 31	Current Portion
General Obligation Debt	\$ 16,234,383	\$ 6,505,000	\$ 1,228,201	\$ 21,511,182	\$ 1,508,535
Revenue Bonds	3,550,000	-	220,000	3,330,000	230,000
Unamortized Bond					
Premium	653,972	333,333	68,430	918,875	-
Compensated Absences					
Payable (1)	41,843	-	12,070	29,773	10,000
Net Pension Liability - WRS	210,133	-	152,310	57,823	-
Total OPEB Liability	260,204	-	5,925	254,279	17,761
<b>TOTAL GENERAL LONG-TERM DEBT</b>	<b>\$ 20,950,535</b>	<b>\$ 6,838,333</b>	<b>\$ 1,686,936</b>	<b>\$ 26,101,932</b>	<b>\$ 1,766,296</b>

- (1) The amount displayed as additions or reductions represents the net change in the liability.

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**B. General Obligation Bonds**

General obligation bonds are direct obligations and pledge the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the Debt Service Fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies. General obligation bonds currently outstanding are as follows:

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31
<b>Governmental Activities</b>					
<b>Taxable Issues</b>					
Community Dev Bonds	3/8/2012	12/1/2031	2.00% to 3.25%	\$ 6,165,000	\$ 3,725,000
Corp Purpose Bonds	3/16/2020	5/1/2025	4.00%	709,324	151,999
<b>Tax-Exempt Issues</b>					
Community Dev Bonds	3/8/2012	12/1/2028	2.00% to 3.50%	1,990,000	1,190,000
Corp Purpose Bonds	8/7/2012	8/1/2032	2.00% to 3.00%	4,065,000	1,040,000
Corp Purpose Bonds	10/23/2014	4/1/2034	2.00% to 3.00%	4,070,000	2,225,000
Community Dev Bonds	1/22/2015	10/1/2034	2.10% to 3.00%	8,050,000	4,425,000
Corp Purpose Bonds	8/10/2016	7/1/2036	2.00% to 3.00%	8,640,000	5,115,000
Corp Purpose Bonds	8/23/2018	8/1/2038	3.00% to 3.50%	5,275,000	4,315,000
Corp Purpose Bonds	3/16/2020	3/1/2026	2.00%	2,280,822	811,818
Corp Purpose Bonds	8/3/2020	3/1/2040	1.50% to 2.00%	5,875,000	5,090,000
Corp Purpose Bonds	4/6/2023	3/1/2043	3.50% to 4.00%	1,915,000	1,815,000
Corp Purpose Bonds	2/15/2024	3/1/2043	3.00% to 5.00%	3,005,000	3,005,000
Corp Purpose Bonds	5/23/2023	3/31/2043	3.33%	1,516,390	1,516,390
<b>NSFD Notes Payables</b>					
Whitefish Bay	5/1/2019	5/1/2039	1.80% to 3.50%	116,641	109,625
Whitefish Bay	1/22/2020	5/1/2039	2.25% to 4.00%	582,540	524,724
<b>Total Governmental Activities General Obligation Debt</b>					<b>\$ 35,059,556</b>
<b>Business-Type Activities</b>					
Taxable Corp Purp Bonds	3/16/2020	5/1/2025	4.00%	\$ 60,676	\$ 13,000
<b>Tax-Exempt Issues</b>					
Corp Purpose Bonds	8/7/2012	8/1/2032	2.00% to 3.00%	5,400,000	2,730,000
Corp Purpose Bonds	10/23/2014	4/1/2034	2.00% to 3.00%	1,990,000	1,130,000
Corp Purpose Bonds	8/10/2016	7/1/2036	2.00% to 3.00%	1,280,000	835,000
Corp Purpose Bonds	8/23/2018	8/1/2038	3.00% to 3.50%	1,085,000	825,000
Corp Purpose Bonds	3/16/2020	3/1/2026	2.00%	1,259,178	448,182
Corp Purpose Bonds	9/2/2021	3/1/1941	1.20% to 2.00%	2,585,000	2,335,000
Corp Purpose Bonds	4/6/2023	3/1/2043	3.50% to 4.00%	7,050,000	6,690,000
Corp Purpose Bonds	2/15/2024	3/1/2043	3.00% to 5.00%	6,505,000	6,505,000
<b>Total Business-Type General Obligation Debt</b>					<b>\$ 21,511,182</b>

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**C. General Obligation Note - Direct Placement**

The Village issued a \$985,000 Promissory Note, The note was issued directly to a bank. General obligation notes currently outstanding are as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31
Promissory Note	8/22/2017	9/1/2027	2.25%	\$ 985,000	\$ 295,500

**D. Revenue Bonds**

Business-Type activities revenue bonds are payable only from revenues pledged when issuing revenue bonds. Revenue bonds currently outstanding are as follows:

Revenue Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31
Business-Type Activities					
Revenue Bonds	8/10/2016	7/1/2036	2.00% to 3.00%	\$ 2,285,000	\$ 1,570,000
Revenue Bonds	12/22/2020	7/1/2036	2.00% to 5.00%	2,075,000	<u>1,760,000</u>
<b>TOTAL BUSINESS-TYPE REVENUE BONDS</b>					<u><u>\$ 3,330,000</u></u>

The sewer utility has pledged future sewer revenues, net of specified operating expenses, to repay revenue bonds issued in 2016 and 2020 for sewer infrastructure projects. The current remaining balances on these bonds are \$3.33 million, with payments of principal and interest due through 2036. These payments are generally expected to be about 20% of the sewer utility net cash flow from operating activities. In 2024, these payments represented 23.69% of those amounts.

**E. Debt Service Requirements to Maturity**

Debt service requirements to maturity for governmental activities long-term debt is as follows:

Fiscal Year Ending December 31,	General Obligation Note Direct Placement		General Obligation Bonds and Notes Payable	
	Principal	Interest	Principal	Interest
2025	\$ 98,500	\$ 6,741	\$ 2,683,171	\$ 973,689
2026	98,500	4,494	2,747,537	961,891
2027	98,500	2,247	2,588,663	884,656
2028	-	-	4,581,479	813,237
2029	-	-	2,402,355	675,916
2030-2034	-	-	11,799,349	2,276,786
2035-2039	-	-	6,109,043	788,017
2040-2043	-	-	2,147,959	205,306
<b>TOTAL</b>	<u><u>\$ 295,500</u></u>	<u><u>\$ 13,482</u></u>	<u><u>\$ 35,059,556</u></u>	<u><u>\$ 7,579,498</u></u>

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**E. Debt Service Requirements to Maturity (Continued)**

Debt service requirements to maturity for business-type activities long-term debt is as follows:

Fiscal Year Ending December 31,	General Obligation Debt		Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 1,508,535	\$ 714,702	\$ 230,000	\$ 96,213
2026	1,592,647	669,602	235,000	87,463
2027	1,400,000	624,013	250,000	78,863
2028	1,255,000	578,620	255,000	69,688
2029	1,280,000	536,014	265,000	60,056
2030-2034	6,150,000	1,992,054	1,460,000	170,675
2035-2039	4,825,000	1,028,036	635,000	15,750
2040-2043	3,500,000	246,125	-	-
<b>TOTAL</b>	<b>\$ 21,511,182</b>	<b>\$ 6,389,166</b>	<b>\$ 3,330,000</b>	<b>\$ 578,708</b>

**F. Debt Limit**

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2024, was \$119,682,675. Total general obligation debt outstanding at year end was \$56,866,238. This leaves a remaining legal debt margin of \$62,816,437.

**G. Other Long-Term Payables Information**

As part of a development agreement in TID No. 3, the Village has contingency commitments to make principal and interest payment on a \$5.5 million PayGo loan as of 2017. These commitments are limited to the incremental revenues generated by that development through the life of the TID. This loan carries a current interest rate of 5.33%. The mandatory close date of the TID is in 2035. This does not constitute debt of the Village under GASB S-70 or GASB S-91.

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**7. INDIVIDUAL FUND DISCLOSURES**

A. Due to/from Other Funds

Due to/from other funds at December 31, 2024, are comprised of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Sewer Utility	\$ 48,391
Parking	Sewer Utility	<u>24,204</u>
<b>TOTAL</b>		<b><u>\$ 72,595</u></b>

The purpose of significant due to/from other funds are as follows:

- \$48,391 owed to the General Fund from the Sewer Utility Fund to provide for sufficient operating cash flow. These interfund loans will be repaid through future user fees. The interfund loans will be repaid in full by 2025.
- \$24,204 owed to the Parking Fund from the Sewer Utility Fund to provide for sufficient operating cash flow. These interfund loans will be repaid through future user fees. The interfund loans will be repaid in full by 2025.

B. Interfund Transfers

Interfund transfers during the year ended December 31, 2024, consisted of the following:

	Transfer In	Transfer Out
General	\$ 397,938	\$ 396,130
Debt Service	1,427,446	-
Capital Projects TID No. 3	-	45,478
Capital Projects TID No. 4	-	543,713
Capital Projects TID No. 5	-	442,125
Nonmajor Governmental	-	170,000
Water Utility	-	195,000
Sewer Utility	-	12,000
Nonmajor Enterprise	-	<u>20,938</u>
<b>TOTAL</b>	<b><u>\$ 1,825,384</u></b>	<b><u>\$ 1,825,384</u></b>

**VILLAGE OF SHREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**7. INDIVIDUAL FUND DISCLOSURES (Continued)**

**B. Interfund Transfers (Continued)**

The purposes of significant interfund transfers are as follows:

- \$397,938 transferred to the General Fund from the Nonmajor Governmental Funds \$(170,000), Water Utility Fund \$(195,000), Sewer Utility Fund (\$12,000) and Nonmajor Enterprise Fund (\$20,938) for general operations and activities. These transfers will not be repaid.
- \$1,427,446 transferred to the Debt Service Fund from the General Fund \$(396,130), TID No. 3 \$(45,478), TID No. 4 \$(543,713) and TID No. 5 \$(442,125) for debt service payments. These transfers will not be repaid.

**C. Fund Balances**

Fund balances reported on the governmental fund financial statements as of December 31, 2024 within the restricted, committed and assigned classifications can be further detailed as follows:

Classification/Fund	Amount	Purpose
Nonspendable		
General Fund	\$ 134,191	Long-term loans/receivables
General Fund	<u>89,243</u>	Prepaid items
Total General Fund	<u>223,434</u>	
Nonmajor Funds	<u>1,197</u>	Prepaid items
<b>TOTAL NONSPENDABLE</b>	<b><u>\$ 224,631</u></b>	
Restricted		
General Capital Projects	\$ 75,622	ARPA
General Capital Projects	<u>2,012,815</u>	Affordable housing
Total General Capital Projects	<u>2,088,437</u>	
Capital Projects TID No. 3	1,816,401	TID plan purposes
Capital Projects TID No. 4	1,811,767	TID plan purposes
Capital Projects TID No. 5	7,886,075	TID plan purposes
Nonmajor Governmental	<u>3,293</u>	Library grants
<b>TOTAL RESTRICTED</b>	<b><u>\$ 13,605,973</u></b>	

**VILLAGE OF SHREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**7. INDIVIDUAL FUND DISCLOSURES (Continued)**

C. Fund Balances (Continued)

Classification/Fund	Amount	Purpose
Committed		
Nonmajor Funds	\$ 70,261	Library activities
Nonmajor Funds	59,280	Senior services activities
Nonmajor Funds	<u>8,285</u>	Shorewood today magazine
<b>TOTAL COMMITTED</b>	<b><u>\$ 137,826</u></b>	
Assigned		
General Fund	\$ 121,591	Future retirement costs
General Fund	<u>1,618</u>	Subsequent years budget
Total General Fund	<u>123,209</u>	
General Capital Projects	<u>1,625,305</u>	Capital projects and equipment
<b>TOTAL ASSIGNED</b>	<b><u>\$ 1,748,514</u></b>	

The debt service fund had a deficit fund balance of \$70,872 as of December 31, 2024.

**8. DEFINED BENEFIT PENSION PLANS**

Wisconsin Retirement System

*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 <http://etf.wi.gov/publications/cafr.htm>

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

**8. DEFINED BENEFIT PENSION PLANS (Continued)**

Wisconsin Retirement System (Continued)

*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 December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

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

The WRS also provides death and disability benefits for employees.

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**8. DEFINED BENEFIT PENSION PLANS (Continued)**

Wisconsin Retirement System (Continued)

*Postretirement 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, Wisconsin Statutes. 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:

<b>Year</b>	<b>Core Fund Adjustment (%)</b>	<b>Variable Fund Adjustment (%)</b>
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 \$515,782 in contributions from the employer.

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**8. DEFINED BENEFIT PENSION PLANS (Continued)**

Wisconsin Retirement System (Continued)

*Contributions (Continued)*

Contribution rates as of December 31, 2023 are:

<b>Employee Category</b>	<b>Employee</b>	<b>Employer</b>
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 (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At December 31, 2024, the Village reported a liability of \$578,236 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 0.03889116%, which was a decrease of 0.00077534% from its proportion measured as of December 31, 2022 (0.03966650%).

For the year ended December 31, 2024, the Village recognized pension expense of \$401,663.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Projected and Actual Experience	\$ 2,331,442	\$ (3,088,009)
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,015,059	-
Changes in Assumptions	252,036	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	14,865	(8,281)
Employer Contributions Subsequent to the Measurement Date	559,938	-
<b>Total</b>	<b>\$ 5,173,340</b>	<b>\$ (3,096,290)</b>

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. DEFINED BENEFIT PENSION PLANS (Continued)**

Wisconsin Retirement System (Continued)

*Pension Liabilities, Pension Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)*

\$559,938 reported as deferred outflows of resources 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 in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ended December 31:	Deferred Outflow of Resources	Deferred Inflows of Resources
2025	\$ 3,687,390	\$ (3,375,678)
2026	3,001,565	(2,676,537)
2027	2,391,387	(1,124,664)
2028	95,007	(481,358)
2029	-	-
Thereafter	-	-

*Actuarial Assumptions*

The Total Pension Liability at December 31, 2023 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:	6.80%
Discount Rate:	6.80%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.10% - 5.60%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.70%

*\*No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.70% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

**VILLAGE OF SHREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. DEFINED BENEFIT PENSION PLANS (Continued)**

Wisconsin Retirement System (Continued)

*Actuarial Assumptions (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:

<b>Asset Allocation Targets and Expected Returns*</b>			
<b>As of December 31, 2023</b>			
<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>
Public Equity	40	7.3	4.5
Public 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
<b>Total Core Fund</b>	<b>100</b>	<b>7.4</b>	<b>4.6</b>
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
<b>Total Variable Fund</b>	<b>100</b>	<b>7.3</b>	<b>4.5</b>

\*Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations  
\*\*New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%.  
\*\*\*The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**8. DEFINED BENEFIT PENSION PLANS (Continued)**

Wisconsin Retirement System (Continued)

*Single Discount Rate*

A single discount rate of 6.80% 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 6.80% 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 6.80% expected rate of return implies that a dividend of approximately 1.70% 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%, 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%) or 1-percentage point higher (7.80%) than the current rate:

	<b>1% Decrease to Discount Rate (5.80%)</b>	<b>Current Discount Rate (6.80%)</b>	<b>1% Increase to Discount Rate (7.80%)</b>
Village’s Proportionate Share of the Net Pension Liability (Asset)	\$5,588,931	\$578,236	\$(2,927,959)

*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>.

**9. OTHER POSTEMPLOYMENT BENEFITS**

A. Plan Description

In addition to providing the pension benefits described, The Village administers a single employer defined benefit healthcare plan. The plan allows eligible retirees to remain on the Village's health care plan which covers both active and retired members. Under certain conditions the Village also directly pays for a portion of retiree health care premiums.

Benefit provisions were established through collective bargaining agreements and by Village policy for non-represented employees. Police union employee benefits may only be amended through negotiations between the Village and the union. All other employees' benefits may be changed through Village board action. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The Village funds these benefits on a pay-as-you-go basis and funding is expected to come primarily from the Village's General Fund and Water and Sewer Utilities. The Village has obtained an actuarial evaluation to determine the cost of these benefits. A liability is reported on the government-wide financial statements as a governmental activities or business-type activities liability, as appropriate.

B. Benefits Provided

The Village makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during the year. The Village contributes 50% for a family plan and 100% for a single plan, towards the health insurance premium for general employees hired before January 1, 2002. For employees hired between January 1, 2002 and October 31, 2012, the Village contributes 50% single plans or 25% for family plans. Employees hired after October 31, 2012 are not eligible for employer contributions towards postretirement health care.

The Village's contribution is capped at the amount the premium was when the employee retires. Any premium increases are contributed by the retiree. To be eligible for these benefits the retiree must have retired under the provisions of the System, with 20 years of service to the Village if hired before January 1, 2002, or 25 years of service if hired after January 1, 2002, and is not currently eligible for Medicare.

**VILLAGE OF SHREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**9. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

C. Membership

At December 31, 2022 (most recent data available), membership consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	15
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Active Employees	53
<b>TOTAL</b>	<b>68</b>

D. Total OPEB Liability

The Village's total OPEB liability of \$2,542,786 was measured as of December 31, 2024 determined by an actuarial valuation as of December 31, 2022.

E. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2024, as determined by an actuarial valuation as of December 31, 2022, actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to December 31, 2024, as noted in the table below.

Actuarial Cost Method	Entry-Age Normal
Actuarial Value of Assets	Not Applicable
Inflation	2.50%
Salary Increases	N/A
Discount Rate	4.28%
Healthcare Cost Trend Rates	7.00% Initial 4.50% Ultimate

The discount rate was based on the Bond Buyer GO 20-Year AA Bond Index.

Mortality rates were based on the 2020 WRS Experience Tables using the fully generational MP-2021 projection scale from a base year of 2010.

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**9. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

E. Actuarial Assumptions and Other Inputs (Continued)

The actuarial assumptions used are based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020.

F. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT DECEMBER 31, 2023	\$ 2,551,672
Changes for the Period	
Service Cost	110,862
Interest	100,732
Difference Between Expected and Actual Experience	12,498
Changes in Benefit Terms	-
Changes in Assumptions	(55,364)
Benefit Payments	(177,614)
Other Changes	-
Net Changes	(8,886)
BALANCES AT DECEMBER 31, 2024	\$ 2,542,786

There were changes in assumptions related to the discount rate.

G. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 4.28% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.28%) or 1 percentage point higher (5.28%) than the current rate:

	1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
Total OPEB Liability	\$ 2,746,187	\$ 2,542,786	\$ 2,355,129

**VILLAGE OF SHOREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**9. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

G. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 7.00% to 4.50% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (6.00% to 3.50%) or 1 percentage point higher (8.00% to 5.50%) than the current rate:

	1% Decrease (varies)	Current Healthcare Rate (varies)	1% Increase (varies)
Total OPEB Liability	\$ 2,306,674	\$ 2,542,786	\$ 2,817,830

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the Village recognized OPEB expense of \$116,419. At December 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 69,208	\$ 327,882
Changes in Assumptions	289,738	401,332
<b>TOTAL</b>	<b>\$ 358,946</b>	<b>\$ 729,214</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	
2025	\$ (79,915)
2026	(79,918)
2027	(97,344)
2028	(111,810)
2029	(24,962)
Thereafter	<u>23,681</u>
<b>TOTAL</b>	<b>\$ (370,268)</b>

**10. JOINT VENTURES**

North Shore Public Safety Communications Commission

The Villages of Shorewood and Whitefish Bay and the City of Glendale jointly operate the local public safety dispatch center, which is called the North Shore Public Safety Communications Commission (NSPSCC) and provides central emergency police, fire and ambulance dispatching services. The governing body of NSPSCC is made up of citizens from each community and has authority to adopt its own budget and control the financial affairs of the commission. Local representatives are appointed by the governing body of each community. The fiscal agent for the commission is the Village of Whitefish Bay. Costs are shared between the three communities based on population, equalized valuation and number of municipalities involved.

For 2024, the Village's financial responsibility towards this service was \$455,394. The Village believes that the commission will continue to provide these services in the future at similar rates. Financial information of the NSPSCC is available directly from the NSPSCC's office at 5300 N. Marlborough Drive, Whitefish Bay, WI 53217.

North Shore Fire Department

The City of Glendale and the Villages of Fox Point, Bayside, Brown Deer, River Hills, Shorewood and Whitefish Bay jointly operate the North Shore Fire Department (NSFD) under an agreement dated December 31, 1994. The NSFD furnishes fire and emergency medical services. The North Shore Fire Department is operated by a Board of Directors consisting of seven members which includes one representative and one alternative member from each community. Only one member may vote from each municipality.

The powers of the Board of Directors include authorizing repair, maintenance and renewal of physical assets and recommending adoption of the department's budget. The capital and operating budget of the department must receive approval of at least five of the seven participating municipalities. Also established by the agreement is a Joint Fire Commission that has the powers related to appointments, promotions, suspensions, removals, dismissals, reemployment, compensation, rest days, etc.

For 2024, the Village's financial responsibility towards this service was \$2,666,684. The Village believes that the NSFD will continue to provide these services in the future at similar rates.

In addition, the Village is also obligated to make certain debt service payments related to the NSFD's acquisition of facilities and equipment from the member municipalities related to bonding done in 2019, 2020 and 2024. For 2024, the Village's financial responsibility towards these payments was \$136,130.

**10. JOINT VENTURES (Continued)**

North Shore Fire Department (Continued)

Additional debt service payments related to bonding done in 2019 and 2020 for facilities improvements are expected to result in approximately \$52,000 per year of commitments beginning in 2023/2024 after the previous commitments have been satisfied.

Financial information for the NSFD can be obtained from the Department at 4401 West River Lane, Brown Deer, WI 53223.

North Shore Health Department

During 2011, the Village signed an agreement to join the North Shore Health Department, now comprised of the Villages of Bayside, Brown Deer, Fox Point, River Hills, Shorewood and Whitefish Bay, and the City of Glendale. The Village of Brown Deer, on behalf of the North Shore Health Department (NSHD), began providing public health services to residents of the Village on January 1, 2012. The NSHD Board of Health is comprised of one member representative from each community, as appointed by each municipality's Village President.

NSHD costs are allocated to individual communities based on a formula incorporating direct hours used and population. The Village paid \$108,212 to NSHD for 2024 services. The Village believes that the NSHD will continue to provide these services in the future at similar rates.

The agreement is for a three-year term that automatically renews. The Village of Brown Deer performs substantially all of the services of the NSHD. Financial information for the NSHD can be obtained from the Village of Brown Deer at 4800 West Green Brook Drive, Brown Deer, WI 53223.

**11. RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

**12. 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 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.

**VILLAGE OF SHREWOOD, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**12. COMMITMENTS AND CONTINGENCIES (Continued)**

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

**13. LESSOR DISCLOSURES**

In 2010, the Village entered into a lease agreement with a local restaurant owner to lease out the Hubbard Park Lodge. The term of the lease continues until the end of 2029. The lease also requires the lessee to make annual capital improvements of at least \$10,000 to the property.

Payments ranging \$40,000 to \$56,275 are due to the Village annually through December 31, 2029. The lease agreement is noncancelable and maintains an incremental borrowing rate of 1.41%.

As of December 31, 2024, the remaining lease receivable and offsetting deferred inflows of resource for this arrangement is \$256,269 and \$233,843, respectively.

**14. ERROR CORRECTION**

During the fiscal year ended December 31, 2024, the Village determined there was a \$1,516,390 bond issued but not recognized on the financial statements in the prior year. The bonds were issued on May 23, 2023 and had the first interest payment due during the fiscal year ended December 31, 2024. No principal was due in the current or prior fiscal year. As a result of this error, the net position for the fiscal year ended December 31, 2023 was overstated by \$1,516,390. The effect of correcting the error is as follows:

	<u>Governmental Activities</u>
BEGINNING NET POSITION, AS REPORTED	<u>\$ 17,295,331</u>
Error correction	<u>(1,516,390)</u>
Total net restatement	<u>(1,516,390)</u>
BEGINNING NET POSITION, AS RESTATED	<u>\$ 15,778,941</u>

**VILLAGE OF SHOREWOOD, WISCONSIN**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**15. SUBSEQUENT EVENT**

On March 27, 2025, the Village issued \$8,950,000 General Obligation Bonds Promissory Notes, Series 2025A. The proceeds of the bonds will be used for general infrastructure projects, sewer system projects and water system projects in the Village.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF SHOREWOOD, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

For the Fiscal Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 8,609,900	\$ 8,609,900	\$ -
Intergovernmental	1,831,730	1,889,496	57,766
Licenses and Permits	453,200	425,265	(27,935)
Fines and Fees	500,000	636,575	136,575
Charges for Services	565,629	721,988	156,359
Investment Income	439,600	940,415	500,815
Miscellaneous	184,097	230,679	46,582
<b>Total Revenues</b>	<b>12,584,156</b>	<b>13,454,318</b>	<b>870,162</b>
<b>EXPENDITURES</b>			
General Government			
Board	38,277	42,289	4,012
Court	71,664	79,134	7,470
Manager	482,459	469,920	(12,539)
Clerk	324,329	340,070	15,741
Finance	273,324	290,422	17,098
Other General Administration	497,280	448,157	(49,123)
<b>Total General Government</b>	<b>1,687,333</b>	<b>1,669,992</b>	<b>(17,341)</b>
Public Safety			
Police Department	4,294,245	4,213,793	(80,452)
Planning and Building Inspection	409,422	422,669	13,247
Fire and Other Public Safety	3,272,799	3,293,320	20,521
<b>Total Public Safety</b>	<b>7,976,466</b>	<b>7,929,782</b>	<b>(46,684)</b>
Public Works			
Public Works Administration	376,596	405,205	28,609
Building Maintenance	277,653	291,295	13,642
Municipal Garage	330,507	393,848	63,341
Street and Alley	186,308	161,294	(25,014)
Street Lighting	232,416	229,945	(2,471)
Winter Maintenance	151,683	110,663	(41,020)
Refuse Disposal	801,790	859,738	57,948
Yard Waste/Leaf Collection	105,808	125,266	19,458
<b>Total Public Works</b>	<b>2,462,761</b>	<b>2,577,254</b>	<b>114,493</b>

(This statement is continued on the following page.)

**VILLAGE OF SHOREWOOD, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)  
GENERAL FUND**

For the Fiscal Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>EXPENDITURES (Continued)</b>			
Health Department	\$ 113,634	\$ 108,212	\$ (5,422)
Culture and Recreation			
Parks and Beautification	228,855	214,512	(14,343)
Total Culture and Recreation	228,855	214,512	(14,343)
Conservation and Development			
Forestry	330,107	360,124	30,017
Total Conservation and Development	330,107	360,124	30,017
Total Expenditures	12,799,156	12,859,876	60,720
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(215,000)</b>	<b>594,442</b>	<b>809,442</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	611,130	397,938	(213,192)
Transfers (Out)	(396,130)	(396,130)	-
Total Other Financing Sources (Uses)	215,000	1,808	(213,192)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>596,250</b>	<b>\$ 596,250</b>
<b>FUND BALANCE, JANUARY 1</b>		<b>6,668,311</b>	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 7,264,561</b>	

(See independent auditor's report.)

VILLAGE OF SHOREWOOD, WISCONSIN

REQUIRED SUPPLEMENTARY INFORMATION  
WISCONSIN RETIREMENT SYSTEM

PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

Last Ten Measurement Years

December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Village of Shorewood's Proportion of the Net Pension Liability (Asset)	0.04098%	0.04051%	0.03967%	0.03936%	0.03938%	0.03924%	0.03988%	0.03938%	0.03967%	0.03889%
Village of Shorewood's Proportionate Share of the Net Pension Liability (Asset)	\$ (1,006,498)	\$ 658,229	\$ 326,948	\$ (1,168,755)	\$ 1,400,916	\$ (1,265,235)	\$ (2,489,785)	\$ (3,173,754)	\$ 2,101,334	\$ 578,236
Village of Shorewood's Covered Payroll	4,792,475	4,792,475	4,848,954	4,763,410	4,732,568	4,885,910	4,897,479	5,284,718	5,045,839	5,186,516
Plan fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	102.74%	98.20%	99.12%	102.93%	96.45%	102.96%	105.26%	106.02%	95.72%	98.85%

SCHEDULE OF CONTRIBUTIONS

Last Ten Fiscal Years

December 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contributions	\$ 397,114	\$ 384,052	\$ 369,128	\$ 400,172	\$ 409,635	\$ 402,102	\$ 466,728	\$ 446,469	\$ 463,157	\$ 515,782
Contributions in Relation to the Contractually Required Contributions	(397,114)	(384,052)	(369,128)	(400,172)	(409,635)	(402,102)	(466,728)	(446,469)	(463,157)	(515,782)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Village of Shorewood's Covered Payroll	4,792,475	4,848,954	4,763,410	4,732,568	4,885,910	4,897,479	5,284,718	5,045,839	5,186,516	5,386,884
Contributions as a Percentage of Covered Payroll	8.29%	7.92%	7.75%	8.46%	8.38%	8.21%	8.83%	8.85%	8.93%	9.57%

Notes to Required Supplementary Information

*Changes of Benefit Terms* . There were no changes in benefit terms for any participating employer in WRS.

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

(See independent auditor's report.)

VILLAGE OF SHOREWOOD, WISCONSIN

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Eight Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2017	2018	2019	2020	2021	2022	2023	2024
<b>TOTAL OPEB LIABILITY</b>								
Service Cost	\$ 114,721	\$ 114,721	\$ 104,635	\$ 154,154	\$ 168,289	\$ 152,731	\$ 106,262	\$ 110,862
Interest	116,504	115,739	125,384	89,419	76,284	54,316	95,272	100,732
Changes of Benefit Terms	-	-	-	(246,639)	-	-	-	-
Differences Between Expected and Actual Experience	-	-	(253,497)	-	(529,015)	-	77,696	12,498
Changes of Assumptions	-	(106,826)	392,926	-	(165,790)	(431,992)	197,469	(55,364)
Benefit Payments	(232,181)	(273,839)	(307,797)	115,752	(208,552)	(224,611)	(227,201)	(177,614)
Other Changes	-	-	-	-	-	-	-	-
Net Change in Total OPEB Liability	(956)	(150,205)	61,651	112,686	(658,784)	(449,556)	249,498	(8,886)
Total OPEB Liability - Beginning	3,387,338	3,386,382	3,236,177	3,297,828	3,410,514	2,751,730	2,302,174	2,551,672
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 3,386,382</b>	<b>\$ 3,236,177</b>	<b>\$ 3,297,828</b>	<b>\$ 3,410,514</b>	<b>\$ 2,751,730</b>	<b>\$ 2,302,174</b>	<b>\$ 2,551,672</b>	<b>\$ 2,542,786</b>
Covered-Employee Payroll	\$ 2,982,357	\$ 2,982,357	\$ 4,746,505	\$ 4,746,505	\$ 4,714,457	\$ 4,714,457	\$ 5,142,328	\$ 5,142,328
Employer's Total OPEB Liability as a Percentage of Covered-Employee Payroll	113.55%	108.51%	69.48%	71.85%	58.37%	48.83%	49.62%	49.45%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in assumptions in 2024 related to updating the discount rate to 4.28%.

Changes in assumptions in 2023 related to updating the discount rate to 4.00% and updating the healthcare cost trend rates.

Changes in assumptions in 2022 related to updating the discount rate to 4.25%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available. 2017 was the first year of implementation under these new standards.

(See independent auditor's report.)

VILLAGE OF SHOREWOOD, WISCONSIN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2024

---

**BUDGETS AND BUDGETARY ACCOUNTING**

A. Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

A budget has been adopted for the General Fund, Debt Service, General Capital Projects, TID No.'s 3, 4 and 5, and the following Special Revenue Funds: Library, Senior Resource Center and Shorewood Today Funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds levying a general property tax.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure for the General Fund and the fund total for all other funds. The budgeted amounts presented include any amendments adopted during the year. No amendments were approved during the year. Transfers between departments and changes to the overall budget must be approved by a two-thirds Village Board action.

B. Excess Expenditures Over Appropriations

The following funds had an excess of actual expenditures over budget for the fiscal year:

Fund	Excess
General	\$ 60,720
Debt Service	70,871
TID 3	627,389
TID 4	1,620

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

**MAJOR GOVERNMENTAL FUNDS**

**VILLAGE OF SHOREWOOD, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE**

For the Fiscal Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 2,276,477	\$ 2,276,478	\$ 1
Total Revenues	2,276,477	2,276,478	1
<b>EXPENDITURES</b>			
Debt Service			
Principal Retirement	2,661,224	2,661,223	(1)
Interest and Fiscal Charges	1,042,701	1,113,573	70,872
Total Expenditures	3,703,925	3,774,796	70,871
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,427,448)	(1,498,318)	(70,870)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,427,448	1,427,446	(2)
Total Other Financing Sources (Uses)	1,427,448	1,427,446	(2)
NET CHANGE IN FUND BALANCE	\$ -	(70,872)	\$ (70,872)
FUND BALANCE, JANUARY 1		-	
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>		<b>\$ (70,872)</b>	

(See independent auditor's report.)

**VILLAGE OF SHOREWOOD, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL CAPITAL PROJECTS**

For the Fiscal Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 627,000	\$ 627,000	\$ -
Intergovernmental	-	317,737	317,737
Miscellaneous	-	2,095	2,095
Total Revenues	627,000	946,832	319,832
<b>EXPENDITURES</b>			
Capital Outlay	5,354,815	3,829,908	(1,524,907)
Debt Service			
Interest and Fiscal Charges	-	55,452	55,452
Total Expenditures	5,354,815	3,885,360	(1,469,455)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	(4,727,815)	(2,938,528)	1,789,287
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	2,239,815	-	(2,239,815)
Sale of Capital Assets	-	58,585	58,585
Issuance of Bonds	2,630,000	3,005,000	375,000
Premium on Issuance of Bonds	-	153,353	153,353
Total Other Financing Sources (Uses)	4,869,815	3,216,938	(1,652,877)
<b>NET CHANGE IN FUND BALANCE</b>			
	\$ 142,000	278,410	\$ 136,410
<b>FUND BALANCE, JANUARY 1</b>			
		3,435,332	
<b>FUND BALANCE, DECEMBER 31</b>			
		\$ 3,713,742	

(See independent auditor's report.)

**VILLAGE OF SHOREWOOD, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS TID NO. 3**

For the Fiscal Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 650,000	\$ 1,176,492	\$ 526,492
Intergovernmental	-	2,943	2,943
Investment Income	7,400	81,953	74,553
Miscellaneous	21,000	21,600	600
Total Revenues	678,400	1,282,988	604,588
<b>EXPENDITURES</b>			
Current			
Conservation and Development	29,400	656,789	627,389
Total Expenditures	29,400	656,789	627,389
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	649,000	626,199	(22,801)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	-	(45,478)	(45,478)
Total Other Financing Sources (Uses)	-	(45,478)	(45,478)
<b>NET CHANGE IN FUND BALANCE</b>			
	\$ 649,000	580,721	\$ (68,279)
<b>FUND BALANCE, JANUARY 1</b>		1,235,680	
<b>FUND BALANCE, DECEMBER 31</b>		\$ 1,816,401	

(See independent auditor's report.)

**VILLAGE OF SHOREWOOD, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS TID NO. 4**

For the Fiscal Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 465,000	\$ 473,613	\$ 8,613
Intergovernmental	200	198	(2)
Investment Income	96,000	177,073	81,073
Miscellaneous	-	105,000	105,000
Total Revenues	561,200	755,884	194,684
<b>EXPENDITURES</b>			
Current			
Conservation and Development	2,600	4,220	1,620
Total Expenditures	2,600	4,220	1,620
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	558,600	751,664	193,064
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	(543,340)	(543,713)	(373)
Total Other Financing Sources (Uses)	(543,340)	(543,713)	(373)
<b>NET CHANGE IN FUND BALANCE</b>			
	\$ 15,260	207,951	\$ 192,691
<b>FUND BALANCE, JANUARY 1</b>		1,603,816	
<b>FUND BALANCE, DECEMBER 31</b>		\$ 1,811,767	

(See independent auditor's report.)

**VILLAGE OF SHOREWOOD, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS TID NO. 5**

For the Fiscal Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 1,475,000	\$ 1,563,317	\$ 88,317
Intergovernmental	2,000	1,893	(107)
Investment Income	30,000	361,281	331,281
Total Revenues	1,507,000	1,926,491	419,491
<b>EXPENDITURES</b>			
Current			
Conservation and Development	117,600	17,461	(100,139)
Total Expenditures	117,600	17,461	(100,139)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	1,389,400	1,909,030	519,630
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	(444,145)	(442,125)	2,020
Total Other Financing Sources (Uses)	(444,145)	(442,125)	2,020
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 945,255</b>	<b>1,466,905</b>	<b>\$ 521,650</b>
<b>FUND BALANCE, JANUARY 1</b>		<b>6,419,170</b>	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 7,886,075</b>	

(See independent auditor's report.)

**NONMAJOR GOVERNMENTAL FUNDS**

VILLAGE OF SHOREWOOD, WISCONSIN

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2024

	Special Revenue			Total
	Library	Senior Services	Shorewood Today	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 614,238	\$ 99,632	\$ 7,160	\$ 721,030
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Accounts	-	31,345	1,125	32,470
Property Taxes	485,733	63,629	-	549,362
Other	2,617	-	-	2,617
Prepaid items	1,197	-	-	1,197
Total Assets	1,103,785	194,606	8,285	1,306,676
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
None	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,103,785</b>	<b>\$ 194,606</b>	<b>\$ 8,285</b>	<b>\$ 1,306,676</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 24,781	\$ 3,806	\$ -	\$ 28,587
Accrued Liabilities	20,408	2,641	-	23,049
Total Liabilities	45,189	6,447	-	51,636
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	983,845	128,879	-	1,112,724
Total Deferred Inflows of Resources	983,845	128,879	-	1,112,724
Total Liabilities and Deferred Inflows of Resources	1,029,034	135,326	-	1,164,360
<b>FUND BALANCES</b>				
Nonspendable	1,197	-	-	1,197
Restricted	3,293	-	-	3,293
Committed	70,261	59,280	8,285	137,826
Total Fund Balances	74,751	59,280	8,285	142,316
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,103,785</b>	<b>\$ 194,606</b>	<b>\$ 8,285</b>	<b>\$ 1,306,676</b>

(See independent auditor's report.)

**VILLAGE OF SHOREWOOD, WISCONSIN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS**

For the Fiscal Year Ended December 31, 2024

	<b>Special Revenue</b>			<b>Total</b>
	<b>Library</b>	<b>Senior Services</b>	<b>Shorewood Today</b>	
<b>REVENUES</b>				
Taxes	\$ 963,366	\$ 121,584	\$ -	\$ 1,084,950
Charges for Services	26,217	16,771	106,235	149,223
Miscellaneous	116,497	53,614	-	170,111
<b>Total Revenues</b>	<b>1,106,080</b>	<b>191,969</b>	<b>106,235</b>	<b>1,404,284</b>
<b>EXPENDITURES</b>				
Current				
General Government	-	-	101,753	101,753
Health and Social Services	-	193,497	-	193,497
Culture and Recreation	1,002,148	-	-	1,002,148
<b>Total Expenditures</b>	<b>1,002,148</b>	<b>193,497</b>	<b>101,753</b>	<b>1,297,398</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>103,932</b>	<b>(1,528)</b>	<b>4,482</b>	<b>106,886</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(170,000)	-	-	(170,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(170,000)</b>	<b>-</b>	<b>-</b>	<b>(170,000)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(66,068)</b>	<b>(1,528)</b>	<b>4,482</b>	<b>(63,114)</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>140,819</b>	<b>60,808</b>	<b>3,803</b>	<b>205,430</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 74,751</b>	<b>\$ 59,280</b>	<b>\$ 8,285</b>	<b>\$ 142,316</b>

(See independent auditor's report.)

**VILLAGE OF SHOREWOOD, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
LIBRARY**

For the Fiscal Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 963,366	\$ 963,366	\$ -
Intergovernmental	101,453	-	(101,453)
Charges for Services	39,300	26,217	(13,083)
Miscellaneous	137,408	116,497	(20,911)
	<b>1,241,527</b>	<b>1,106,080</b>	<b>(135,447)</b>
<b>EXPENDITURES</b>			
Current			
Culture and Recreation	1,241,527	1,002,148	(239,379)
	<b>1,241,527</b>	<b>1,002,148</b>	<b>(239,379)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	-	103,932	103,932
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	-	(170,000)	(170,000)
	-	(170,000)	(170,000)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>(66,068)</b>	<b>\$ (66,068)</b>
<b>FUND BALANCE, JANUARY 1</b>		<b>140,819</b>	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 74,751</b>	

(See independent auditor's report.)

**VILLAGE OF SHOREWOOD, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SENIOR SERVICES**

For the Fiscal Year Ended December 31, 2024

---

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 121,584	\$ 121,584	\$ -
Charges for Services	9,000	16,771	7,771
Miscellaneous	98,366	53,614	(44,752)
Total Revenues	<u>228,950</u>	<u>191,969</u>	<u>(36,981)</u>
<b>EXPENDITURES</b>			
Current			
Health and Social Services	<u>228,950</u>	<u>193,497</u>	<u>(35,453)</u>
Total Expenditures	<u>228,950</u>	<u>193,497</u>	<u>(35,453)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>(1,528)</u>	<u>\$ (1,528)</u>
<b>FUND BALANCE, JANUARY 1</b>		<u>60,808</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 59,280</u>	

(See independent auditor's report.)

**VILLAGE OF SHOREWOOD, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SHOREWOOD TODAY**

For the Fiscal Year Ended December 31, 2024

---

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>			
Charges for Services	\$ 101,000	\$ 106,235	\$ 5,235
Total Revenues	<u>101,000</u>	<u>106,235</u>	<u>5,235</u>
<b>EXPENDITURES</b>			
Current			
General Government	<u>106,500</u>	<u>101,753</u>	<u>(4,747)</u>
Total Expenditures	<u>106,500</u>	<u>101,753</u>	<u>(4,747)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,500)</u>	4,482	<u>\$ 9,982</u>
FUND BALANCE, JANUARY 1		<u>3,803</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 8,285</u>	

(See independent auditor's report.)