

# Village of Shorewood, Wisconsin

## Comprehensive Annual Financial Report

For the Fiscal Year Ended  
December 31, 2019



**VILLAGE OF SHOREWOOD**

Shorewood, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Including Independent Auditor's Report

As of and For the Year Ended

December 31, 2019

Prepared by:

Finance Department

Mark Emanuelson, CPFO  
Finance Director

# VILLAGE OF SHOREWOOD

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INTRODUCTORY  
SECTION



AT THE EDGE OF THE CITY AND  
THE HEART OF EVERYTHING

April 22, 2020

To the Village Board and the Citizens of the Village of Shorewood, Wisconsin:

The Comprehensive Annual Financial Report of the Village of Shorewood as of and for the year, ended December 31, 2019, is herein submitted.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report based upon a comprehensive internal control framework that has been established for this purpose. As the cost of internal controls should not outweigh their benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Sikich LLP has issued an unmodified ("clean") opinion on the Village of Shorewood's financial statements for the year ended December 31, 2019. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **COMMUNITY PROFILE**

The Village of Shorewood is located in Milwaukee County and is the first suburb north of the City of Milwaukee on Lake Michigan. Shorewood, at just over 1.5 square miles, is bounded by the Milwaukee River on the west and the Village of Whitefish Bay to the north.

Incorporated as the Village of East Milwaukee (with a population of 300) in August of 1900, Shorewood is the fourth oldest suburb in the Milwaukee area. In 1917, the name of the Village was changed to Shorewood to more accurately reflect the beautifully unique environment that bordered Lake Michigan on the east, which attracted both business and professional people to the Village of Shorewood; an exclusive community separated from the City of Milwaukee, but close to its many convenient resources.

Shorewood operates under a manager form of government. Under this form of government, a six-member Board of Trustees is elected at large and on a non-partisan basis. The Village President, who is also elected at large and on a non-partisan basis, presides at Village Board meetings and votes on all matters. The Village President has no veto power. Annual elections are held in April. The terms of office are 3 years but are overlapping so that the Village is provided with a continuity of knowledge in the Village business and legislative matters.

The Board is responsible for enacting ordinances, resolutions, and regulations governing the Village as well as the appointment of members of various statutory and advisory boards and the Village Manager. The manager is the chief executive officer who is the head of the administrative branch of the Village and is accountable to the Board for the proper administration of all affairs of the Village.

The Village provides a range of services including police, library, refuse, recycling, snow and leaf removal, on and off street parking, building inspections, licenses and permits, water and sewer services. Health services are provided by the North Shore Health Department and fire services are provided by the North Shore Fire Department.

The Village is required to adopt an annual budget during the preceding year. This budget serves as the foundation of the Village's financial planning and control. The budget is prepared by fund and department. Department heads may use resources within a department. The Village Board would need to approve any budget amendments.

## **LOCAL ECONOMY**

Located along the shores of Lake Michigan just north of Milwaukee, the Village of Shorewood is a demographically and economically vital and diverse community. The Village continues to be a desirable place to reside due to excellent services, high quality schools, parks, and exclusive shops and businesses, which all contribute to the perceived "high quality of life." Shorewood's employment base represents an excellent mix of service and retail establishments. Moreover, its proximity to downtown Milwaukee (just 5 miles south) enables residents to commute for employment.

The Village's property base is roughly 80% residential and 20% commercial with no industrial properties. Tax exempt properties are excluded from these totals. The Village is considered to be mostly built out in that very few vacant properties still exist within our boundaries. The Village's single-family housing was constructed almost entirely in the period from 1915 to 1945, and can be characterized as being in the middle to upper-middle price range in the Milwaukee area market. The Village also has a substantial number of multifamily housing units, consisting of rental and condominium units, which occupy the same middle to upper-middle market niche.

In 2015 the village saw the completion of the Harbor Chase project, a new 4 story 60 unit assisted living and 35 unit memory care facility located just south of Capitol Drive on the Milwaukee River. In 2016, construction was completed on a new 80,000 square foot Roundy's Metro Market grocery store and an adjacent 350 stall parking garage, with a related six story mixed use building which will include 80 apartment units and 15,000 square feet of retail space completed in 2017. In 2018, construction was completed on the Shorewood Senior Living project which includes 100 market rate apartments for active senior living with underground parking.

The Village is also in close proximity to the University of Wisconsin Milwaukee's campus (within about 1 mile). Many residents within the Village are students, professors or administrative personnel at the University.

## **LONG RANGE PLANNING AND FINANCIAL POLICIES**

In 2014 the Village undertook a visioning plan to update its 2006 and 2009 plans. The plan was an effort to help define the ten year goals for the Village. This visioning project serves as the umbrella plan for several other initiatives, including comprehensive business district planning, positioning, branding initiatives, and long-range financial planning.

One of the major components of our planning initiatives is to assure infrastructure maintenance is a priority. Annually, the Village Board reviews the long range Financial Management Plan which looks forward 10 years. This plan focuses on significant capital needs, on-going capital maintenance requirements, and projects future annual operating budgets, potential property values, tax levy needs, debt service levels and future budget gaps. The Village's overall budget process begins with a look at this plan and how we stand in relation to our financial targets.

The long range financial plan discusses the financial policy guidelines. One such guideline relates to General Fund, fund balances. The plan targets General Fund, fund balance at 30% of revenues and limits the reasons for using fund balance to capital, one-time, or investment in the community uses.

Due to the Village's strong history of financial planning and our healthy local economy, the Village has been able to both achieve its infrastructure and other capital related objectives, and has maintained a credit rating of Aa2 from Moody's Investor Service.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Shorewood for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2018. This was the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and other applicable program requirements.

We also believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we will be submitting it to the GFOA to seek another certificate for the Village's 2019 report.

The Village also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the year beginning January 1, 2019. To qualify for the Distinguished Budget Presentation Award, the Village's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We wish to thank all Village departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Village President, Village Manager and the Village Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Shorewood's finances.

The Village would like to recognize the Sikich LLP, audit management team, for their dedication and expertise, which contributed significantly to the report quality and adherence to professional accounting standards.

Respectfully submitted,



Rebecca Ewald  
Village Manager



Mark Emanuelson, CPFO  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Village of Shorewood  
Wisconsin**

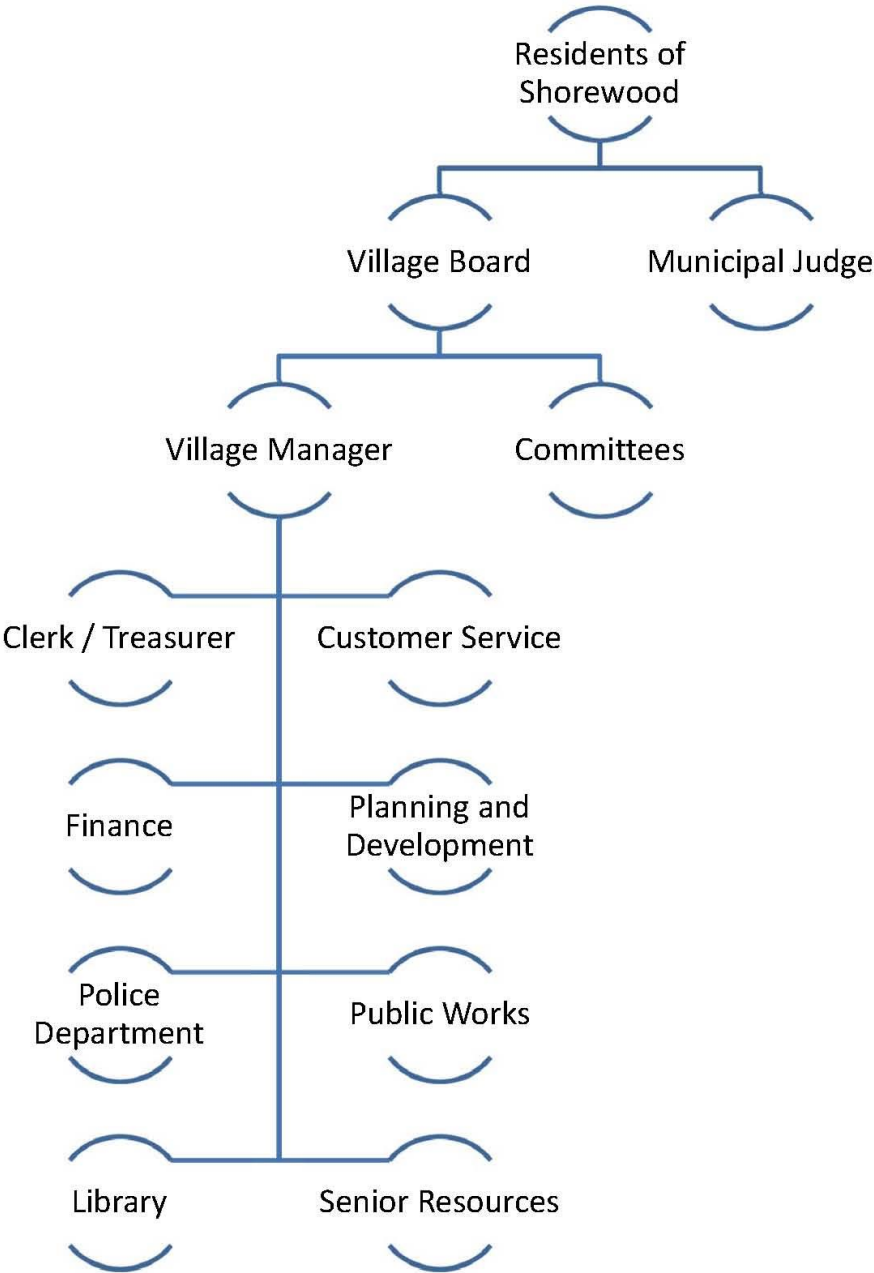
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrell*

Executive Director/CEO

# Village of Shorewood, Wisconsin Organizational Chart



# VILLAGE OF SHOREWOOD

## Directory of Village Officials

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### Members of the Village Board

Allison Rozek	Village President
Dauida Amenta	Village Trustee
Tammy Bockhorst	Village Trustee
Jessica Carpenter	Village Trustee
Michael Maher	Village Trustee
Ann McKaig	Village Trustee
Wesley Warren	Village Trustee

### Administrators

Rebecca Ewald	Village Manager
Tyler Burkart	Assistant Village Manager
Sara Bruckman	Village Clerk
Diane DeWindt-Hall	Customer Service Director / Deputy Clerk
Mark Emanuelson	Finance Director / Treasurer
Bart Griepentrog	Planning and Zoning Administrator
Leeann Butschlick	Director of Public Works
Joel Kolste	Assistant Public Works Director
Peter Nimmer	Chief of Police
Kevin Carini	Deputy Police Chief
Rachel Collins	Library Director

FINANCIAL  
SECTION

13400 Bishops Lane, Suite 300  
Brookfield, WI 53005  
262.754.9400

**SIKICH.COM**

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, 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, 2019, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, based on our audit, 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, 2019, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

The Village adopted the requirements of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the 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, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, supplementary information, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other 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 by us. In our opinion, based on our audit and the procedures performed as described above, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Sikich LLP*

Brookfield, Wisconsin  
April 22, 2020

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**As of and For the Year Ended December 31, 2019**  
**(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 exceeded its liabilities as of December 31, 2019, by \$1,529,696 (*net position*). However, due to significant non-capital related debt, the village's unrestricted net position is (\$17,933,286). This is due primarily to the difference between current assets and the long-term non-capital debt outstanding. The village currently has \$20,217,304 in non-capital debt outstanding at year end. More than 90% 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, 2019 the Village of Shorewood's governmental funds reported combined ending fund balances of \$13,211,025 a decrease of \$307,728, or 2.3 % from the prior year. This decrease is due primarily to the Village spending about \$1 million of unspent bond proceeds from the 2018 bonding that were being held for 2019 projects, offset by increases in TIF District reserves.. Approximately 43.4% of this total, or \$5,730,098, 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 \$4,905,219, or approximately 41.5% of 2019 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 has been designated 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 (pages 32-34).

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 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 2019 and 2018.

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 31,028,141	\$ 31,777,533	\$ 1,909,470	\$ 2,405,750	\$ 32,937,611	\$ 34,183,283
Net Capital assets	30,869,299	31,614,124	23,906,966	23,853,657	54,776,265	55,467,781
Total assets	61,897,440	63,391,657	25,816,436	26,259,407	87,713,876	89,651,064
Deferred outflows	3,751,794	1,995,485	414,060	196,548	4,165,854	2,192,033
Long-term debt	42,765,279	47,618,569	11,933,332	12,597,368	54,698,611	60,215,937
Other liabilities	2,510,971	1,652,933	493,442	307,655	3,004,413	1,960,588
Total liabilities	45,276,250	49,271,502	12,426,774	12,905,023	57,703,024	62,176,525
Deferred inflows	18,843,288	18,011,865	222,680	218,074	19,065,968	18,229,939
Net investment capital assets	12,333,819	12,448,913	12,990,982	12,615,165	22,983,830	22,511,854
Restricted	7,129,163	6,733,914	-	89,244	7,129,163	6,823,158
Unrestricted (deficit)	(17,933,286)	(21,079,052)	590,060	628,449	(15,002,255)	(17,898,379)
Net position	\$ 1,529,696	\$ (1,896,225)	\$ 13,581,042	\$ 13,332,858	\$ 15,110,738	\$ 11,436,633

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 and loans receivable. Total current and other assets decreased by \$749,392 or 2.4% in 2019. This decrease was largely due to the village spending reserve debt proceeds from the 2018 bonding's which were used to finance projects that were completed in 2019.

Deferred outflows are related to the WRS net pension assets now reported under GASB 68, and the loss on the advance refunding's done in 2011 and 2013, which will continue to be amortized through 2021.

Long Term Debt decreased by \$4,853,290 in 2019. This is the net impact of calling \$1,575,000 of the TID related portion of the Village's 2010B bonds plus the other scheduled 2019 debt service principal payments.

Other liabilities include accounts payable, accrued payroll, and other accrued liabilities. These increased \$858,038 from the previous year. This is due to a \$1.26 million increase in the village's net pension liability less a \$400,000 decrease in capital related payables in 2019.

Deferred inflows primarily represent unearned revenue for taxes levied in December 2019. These taxes represent revenue for the 2020 fiscal year and are not considered to be revenue in 2019.

The net investment in capital assets represents the Village's equity in its capital assets which was 40.0% of the historical cost of assets. This can be thought of as the Village's ownership in those capital assets. This percentage increased from 39.3% in 2018 due to the village's debt service payments on capital related debt in 2019.

A portion of the Village's net position 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 decreased by \$496,280 in 2019 as positive operating results were offset by the spend down of residual 2018 bond proceeds that were being held in the water utility to fund 2019 capital projects.

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

Long term debt decreased by \$664,036 in 2019 due to ongoing debt service principal payments.

Other liabilities are similar to those found within the governmental activities and include accounts payable and accrued payroll liabilities. There was an \$185,787 increase in accounts payable and other liabilities in 2019.

The net investment in capital assets represents the Village's equity in its capital assets which was 54.3% of the historical cost of assets for the village's business-type activities. This can be thought of as the Village's ownership in those capital assets. This percentage increased from 52.9% in 2018 as debt service principal payments reduced overall debt.

## 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 2019 and 2018.

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 1,816,934	\$ 1,437,388	\$ 4,269,757	\$ 4,607,838	\$ 6,086,691	\$ 6,045,226
Operating grants & contributions	1,007,746	1,057,494	-	-	1,007,746	1,057,494
Capital grants & contributions	418,196	140,564	-	-	418,196	140,564
General revenues						
Property taxes	16,014,057	15,501,813	-	-	16,014,057	15,501,813
Other revenues	<u>1,516,908</u>	<u>1,436,082</u>	<u>46,059</u>	<u>31,630</u>	<u>1,562,967</u>	<u>1,467,712</u>
Total revenues	<u>20,773,841</u>	<u>19,573,341</u>	<u>4,315,816</u>	<u>4,639,468</u>	<u>25,089,657</u>	<u>24,212,809</u>
<b>Expenses</b>						
General government	\$1,593,432	\$1,520,645	-	-	\$1,593,432	\$1,520,645
Public safety	7,984,911	7,541,180	-	-	7,984,911	7,541,180
Public works	4,560,933	4,555,461	-	-	4,560,933	4,555,461
Health and social services	319,740	306,536	-	-	319,740	306,536
Culture & recreation	1,548,357	1,427,787	-	-	1,548,357	1,427,787
Conservation & development	381,562	632,755	-	-	381,562	632,755
Interest on long-term debt	1,166,509	1,276,625	-	-	1,166,509	1,276,625
Parking	-	-	150,287	189,629	150,287	189,629
Water	-	-	1,579,499	1,572,119	1,579,499	1,572,119
Sewer	-	-	<u>2,130,322</u>	<u>1,876,381</u>	<u>2,130,322</u>	<u>1,876,381</u>
Total expenses	<u>17,555,444</u>	<u>17,260,989</u>	<u>3,860,108</u>	<u>3,638,129</u>	<u>21,415,552</u>	<u>20,899,118</u>
<b>Change in Net Position</b>						
Before Transfers	3,218,397	2,312,352	455,708	1,001,339	3,674,105	3,313,691
Transfers	<u>207,524</u>	<u>199,635</u>	<u>(207,524)</u>	<u>(199,635)</u>	-	-
Total Change in Net Position	3,425,921	2,511,987	248,184	801,704	3,674,105	3,313,691
Net position, Jan 1	<u>(1,896,225)</u>	<u>(5,644,452)</u>	<u>13,332,858</u>	<u>12,409,396</u>	<u>11,436,633</u>	<u>6,764,944</u>
Prior Period Adjustment - OPEB	-	1,236,240	-	121,758	-	1,357,998
Net Position OPEB Restated	<u>(1,896,225)</u>	<u>(4,408,212)</u>	<u>13,332,858</u>	<u>12,531,154</u>	<u>11,436,633</u>	<u>8,122,942</u>
Net position, Dec 31	<u>\$ 1,529,696</u>	<u>\$ (1,896,225)</u>	<u>\$ 13,581,042</u>	<u>\$ 13,332,858</u>	<u>\$ 15,110,738</u>	<u>\$ 11,436,633</u>

Overall, the Village's governmental activities increased net position by \$3,425,921 and business type activities increased by \$248,184 in 2019.

## *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 2019 and 2018 and significant changes are discussed below the table.

Revenues	Governmental activities			
	2019	2018	Chg	% chg
Program revenues				
Charges for services	\$ 1,816,934	\$ 1,437,388	\$ 379,546	26.4%
Operating grants	1,007,746	1,057,494	(49,748)	-4.7%
Capital grants	418,196	140,564	277,632	197.5%
General revenues				
Property taxes	16,014,057	15,501,813	512,244	3.3%
Other revenues	<u>1,516,908</u>	<u>1,436,082</u>	<u>80,826</u>	<u>5.6%</u>
Total revenues	<u>\$ 20,773,841</u>	<u>\$ 19,573,341</u>	<u>\$ 1,200,500</u>	<u>6.1%</u>

Charges for services increased by \$379,546 in 2019. The largest factors in this change were an increase of over \$70,000 in DPW charges for services, \$85,000 in collections revenues for court fines, \$50,000 in building related permit revenues, and about \$120,000 of on-street parking revenues in the governmental funds beginning in 2019.

Operating grants decreased by \$49,748 due to a cyclical decrease in State Transportation aids.

Capital grants and contributions fluctuate annual depending on the capital projects and are typically non-recurring revenues. In 2019 the received two grants from Milwaukee Metropolitan Sewer District for green infrastructure projects, and had a special assessment of just over \$200,000 for sidewalk replacement costs.

In 2019, property tax revenue, which includes TIF tax incremental revenues, increased by \$512,244. Of this amount \$444,311 was due to increases in TIF revenues. Property taxes accounted for 75% of the total governmental activities revenues in 2019.

Other revenues increased by \$80,826 in 2019 due to normal fluctuations in these items.

## 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 and sidewalk 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 restaurant licensing, immunizations and health clinics as well as senior programming. Culture and recreation expenses include the costs of park maintenance, special events 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 2019 and 2018 expense by function. The reasons for fluctuations of more than \$100,000 and 5% of the previous year are described following the section.

Governmental activities				
Expenses	2019	2018	Chg	% chg
General government	\$ 1,593,432	\$ 1,520,645	\$ 72,787	4.8%
Public safety	7,984,911	7,541,180	443,731	5.9%
Public works	4,560,933	4,555,461	5,472	0.1%
Health and social services	319,740	306,536	13,204	4.3%
Culture & recreation	1,548,357	1,427,787	120,570	8.4%
Conservation & development	381,562	632,755	(251,193)	-39.7%
Interest on long-term debt	1,166,509	1,276,625	(110,116)	-8.6%
Total Expenses	<u>\$ 17,555,444</u>	<u>\$ 17,260,989</u>	<u>\$ 294,455</u>	<u>1.7%</u>

Public safety had an increase in costs related to the NSFD of \$116,000 for facility renovations, as well as significant year-to year increase in the non-cash reporting of OPEB and WRS pension costs in 2019 compared to 2018.

Public works had a significant year-to year increase in the non-cash reporting of OPEB and WRS pension costs in 2019 compared to 2018, but also had a \$250,000 decrease in capital outlay costs in 2019.

Culture & recreation had a significant year-to year increase in the non-cash reporting of OPEB and WRS pension costs in 2019 compared to 2018.

Conservation and Development also had approximately \$250,000 less expenditures than in 2018 as the activity in the TIF districts continues to diminish over time. The impact of swings in the OPEB and WRS pension costs are not significant in this area as the majority of the costs are not staff related.

Interest on expenses on long-term debt decreased as outstanding debt balances decreased by just over \$4.9 million in 2019.

### 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			
	2019	2018	Chg	% Chg
Program revenues				
Parking	\$ 190,426	\$ 331,698	\$ (141,272)	-42.6%
Water	2,063,299	2,070,716	(7,417)	-0.4%
Sewer	<u>2,016,032</u>	<u>2,205,424</u>	<u>(189,392)</u>	-8.6%
Charges for services	4,269,757	4,607,838	(338,081)	-7.3%
Other revenues	<u>46,059</u>	<u>31,630</u>	<u>14,429</u>	<u>45.6%</u>
Total revenues	<u>\$ 4,315,816</u>	<u>\$ 4,639,468</u>	<u>\$ (323,652)</u>	<u>-7.0%</u>

Parking revenues decreased due to transferring about \$120,000 of fees for on-street parking permits to the general fund in 2019. Water and Sewer utility revenues reflect a slight decrease in consumption in 2019. In 2018 the Sewer Utility also received a one-time grant of just over \$150,000 which is not present in 2019.

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 2019 to 2018.

Expenses	Business-type activities			
	2019	2018	Chg	% Chg
Parking	\$ 150,287	\$ 189,629	\$ (39,342)	-20.7%
Water	1,579,499	1,572,119	7,380	0.5%
Sewer	<u>2,130,322</u>	<u>1,876,381</u>	<u>253,941</u>	<u>13.5%</u>
Total expenses	<u>\$ 3,860,108</u>	<u>\$ 3,638,129</u>	<u>\$ 221,979</u>	<u>6.1%</u>

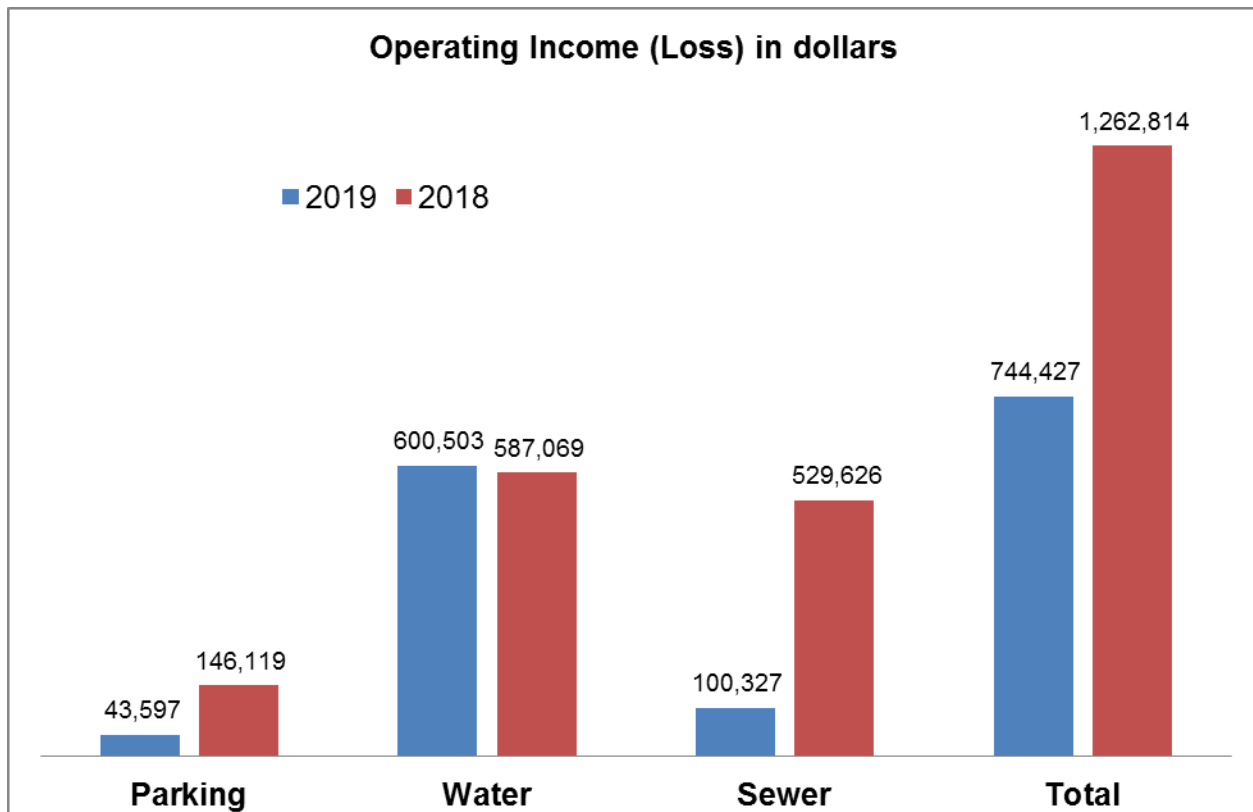
Parking expenses were reduced largely due to a decrease in the allocation of police support costs associated with the enforcement of on-street parking.

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. Overall, the Water Utility operating costs remained relatively unchanged in 2019.

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 Sewer Utility saw about a \$250,000 increase in which includes a \$100,000 increase in treatment costs, of which \$65,000 is an accounting accrual adjustment, and about \$125,000 in increased maintenance costs.

### 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 largely due to the transfer of on-street permit fees to the general fund in 2019. The Water utility is fairly consistent with the prior year. The Sewer utility had a \$100,000 increase in treatment costs, of which \$65,000 is an accounting accrual adjustment, and about \$125,000 in increased maintenance costs. Also in 2018, the sewer utility had a one-time operating grant of \$150,000 which may distort this year-to-year comparison.

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. The total Utility principal payments in 2019 were \$661,070. Net equipment and capital costs were just over \$250,000.

## **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 of 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. The basic governmental fund financial statements can be found on pages 35-40 of this report.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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 ten 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 1, 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 \$13,211,025 a decrease of \$307,728, or 2.3 % from the prior year. This decrease is due primarily to the Village spending about \$1 million of unspent bond proceeds from the 2018 bonding that were being held for 2019 projects, offset by increases in TIF District reserves. The TID District fund balances should continue to increase as most program expenditures have already been made and all planned projects have now been completed.

The General Fund is the chief operating fund of the Village. At year end, total fund balance in the General Fund was \$6,346,862 of which \$4,905,219 was unassigned. The General Fund unassigned fund balance represents 41.5% of total General Fund revenues. This was an increase of \$379,327 from a total unassigned fund balance of \$4,525,892 or 42.2% in 2018. 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 2019 by \$328,660.

The General Capital Projects Fund had a decrease in fund balance of \$1,174,191. This amount reflects the spending of 2018 bond proceeds that were being held for 2019 projects.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village of Shorewood adopts an annual budget for its General Fund. A budgetary comparison schedule can be found on pages 86-87 of this report. There was one budget amendment completed during the year related to the North Shore Fire Department.

Overall the General Fund excess of revenues over expenditures was \$366,824 in 2019. Other significant changes between budget and actual results are addressed below:

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

- Licenses and Permit revenues were about 30,000 more than anticipated due to increased permit fee for construction related activities.
- Fine revenues were about \$45,000 less than budgetary expectations. Parking fine collections were \$85,000 under budget which was partially offset by court fines which were about \$40,000 more than budgeted.
- Charges for services were about \$77,000 more than budget due mostly to increased costs and the resulting chargebacks for services to other governments.
- Investment income exceeded budget by \$255,000 in 2019 due to rising interest rates available in the LGIP as well as a positive year-end mark-to-market adjustment of over \$50,000.
- Other revenues exceeded budget by \$98,000 due in large part to the receipt of over \$50,000 of rental fees from the NSFD not anticipated in the 2019 budget.
- Overall actual General Fund revenues in 2019 were \$469,361 more than budgeted.

## Expenditures and Other Financing Uses

- Overall, General Fund expenditures were at 99.2% of budget. This represents about a \$91,000 favorable outcome. However, there were a number of unfavorable variations in some areas that, while noteworthy, were offset by savings in other areas.
- General Government: These departments were all very close to budget in almost all areas except for minimal budget variances. The total favorable expenditure variance was just under \$7,000 or about 99.5% of budget.
- Public Safety: While the total employee costs within the Police department were more than \$160,000 under budget, however retiree health care costs were more than \$20,000 over budget and unemployment costs were \$15,000 over budget. Also, the costs for contracted inspectors in the Planning department were about \$35,000 under budget due to a delay in getting these services contracted.
- Public Works: Salary and benefit costs were about \$50,000 or 3.7% over budget due to various workforce deployment changes during the year. There were some offsetting net expenditure savings in other areas to help offset the increased staff costs.
- Conservation and Development: Salary costs in this area were about \$40,000 over budget due to increased labor costs in the Forestry division.

## 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. All three utilities are considered to be major funds. The basic proprietary fund financial statements can be found on pages 41-44 of this report.

### Utility Funds

The net position of the Parking, Water, and Sewer Utilities at the end of the year was \$705,949, \$3,069,528 and \$9,805,565 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 for the Parking, Water, and Sewer Utilities were \$401,097, \$26,479, and \$162,484 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 on page 45 of 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 on pages 47-85 of this 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 2019 and 2018 is summarized below.

Description	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Land and right of way	\$ 4,491,320	\$ 4,491,320	\$ 233,345	\$ 233,345
Artwork	330,000	330,000	-	-
Construction in progress (CIP)	193,823	164,515	270,261	235,951
Machinery and equipment	4,919,415	4,587,801	1,019,537	984,347
Intangibles	69,793	87,810	-	-
Building and improvements	14,109,771	14,109,771	-	-
Infrastructure	<u>32,469,431</u>	<u>31,906,302</u>	<u>28,357,430</u>	<u>27,861,238</u>
Total Capital Assets	<u>56,583,553</u>	<u>55,677,519</u>	<u>29,880,573</u>	<u>29,314,881</u>
Less accumulated depreciation	<u>(25,714,254)</u>	<u>(24,063,395)</u>	<u>(5,973,607)</u>	<u>(5,461,224)</u>
Capital assets, net of depreciation	<u>\$ 30,869,299</u>	<u>\$ 31,614,124</u>	<u>\$ 23,906,966</u>	<u>\$ 23,853,657</u>

Significant projects in excess of \$50,000 undertaken during the year include the following:

- \$290,683 on the Department of Public Works vehicles
- \$718,527 on alley reconstruction
- \$114,028 on parks improvements

Additional information on the Village's capital assets can be found in Note III-D on pages 67-68.

## 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 \$87,761,120 which exceeds the Village's current outstanding general obligation debt of \$48,864,443 by \$38,896,677. This debt is entirely backed by the full faith and credit of the government. At year end the outstanding debt equaled 55.7% of the Village's state authorized debt limit.

Total general obligation debt for governmental activities decreased by \$4.9 million during the year. The Village issued \$116,641 in new debt in and made annual debt payments in accordance with the debt repayment schedules totaling \$5.0 million in 2019.

The total debt for business-type activities decreased by \$581,123 during the year. This includes no new debt, offset by \$581,123 in annual debt principal payments made in accordance with the debt repayment schedules in 2019.

The table below summarizes the ending balances for 2019 and 2018.

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
General obligation debt	\$ 39,383,302	\$ 44,303,965	\$ 9,481,141	\$ 10,062,264
Revenue Bonds	-	-	2,095,000	2,190,000
OPEB	2,968,010	2,912,525	329,818	323,652
Compensated absences	369,779	340,241	20,392	21,452
Retiree sick leave	44,188	61,838	6,981	-
Total	<u>\$ 42,765,279</u>	<u>\$ 47,618,569</u>	<u>\$ 11,933,332</u>	<u>\$ 12,597,368</u>

Additional information on the Village's long term debt can be found in Notes III-F and G on pages 72-76.

### ***Other Information***

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to required supplementary information and can be found beginning on page 89 of this report.

## 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	2015	2016	2017	2018	2019
City of Milwaukee	5.3%	5.2%	2.7%	3.7%	4.0%
Milwaukee County	5.1%	4.4%	3.1%	3.5%	3.6%
State of Wisconsin	4.2%	3.7%	2.7%	2.6%	3.5%
United States	4.9%	4.7%	4.1%	3.9%	3.5%

Due to the recent COVID 19 outbreak, the Village could see significant impacts in certain revenue or expenditure line items in 2020 as the Village responds to these events. We currently anticipate these effects to be relatively modest in the overall context of operations and will be working to mitigate those effects to the extent possible while still providing safe and essential services to the community.

### **2020 Budget**

The 2020 budget includes the following major changes from 2019:

- A property tax levy increase of 1.42% or \$162,621 in 2019. The significant portions of this change can be attributed to an increase of \$135,133 for increased general fund operating costs.
- Recently, the Village started using general fund reserves to help limit the tax levy increases for debt service needs to a 5% increase from the previous year. In 2019, this amount was \$253,912. In 2020 this amount was \$297,321 to maintain a 0.0% increase in debt service tax levy.

### **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>.

VILLAGE OF SHOREWOOD

STATEMENT OF NET POSITION  
As of December 31, 2019

	Primary Government			CDA Component Unit
	Governmental Activities	Business- Type Activities	Totals	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,390,338	\$ 1,259,171	\$ 4,649,509	\$ 1,002,463
Investments	8,528,397	-	8,528,397	-
Receivables	8,954,950	734,799	9,689,749	8,296
Inventories	-	39,229	39,229	-
Prepaid items	12,254	-	12,254	-
Restricted asset - cash and cash equivalents	6,147,024	492,146	6,639,170	-
Internal balances	615,875	(615,875)	-	-
Loans receivable	3,379,303	-	3,379,303	99,482
Capital Assets				
Land	4,491,320	233,345	4,724,665	-
Artwork	330,000	-	330,000	-
Construction in progress	193,823	270,261	464,084	-
Other capital assets, net of depreciation	25,854,156	23,403,360	49,257,516	-
Total Assets	<u>61,897,440</u>	<u>25,816,436</u>	<u>87,713,876</u>	<u>1,110,241</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related deferred outflows	3,417,128	379,680	3,796,808	-
OPEB related deferred outflows	309,429	34,380	343,809	-
Unamortized loss on refunding	25,237	-	25,237	-
Total Deferred Outflows of Resources	<u>3,751,794</u>	<u>414,060</u>	<u>4,165,854</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	781,354	251,270	1,032,624	720
Liabilities payable from restricted assets	103,428	-	103,428	-
Accrued interest payable	365,365	102,082	467,447	-
Net Pension Liability	1,260,824	140,090	1,400,914	-
Noncurrent Liabilities				
Due within one year	4,098,069	725,296	4,823,365	-
Due in more than one year	38,667,210	11,208,036	49,875,246	-
Total Liabilities	<u>45,276,250</u>	<u>12,426,774</u>	<u>57,703,024</u>	<u>720</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes levied for subsequent year's budget	16,332,509	-	16,332,509	-
Other deferred revenues	506,668	-	506,668	-
Pension related deferred inflows	1,735,808	192,868	1,928,676	-
OPEB related deferred inflows	268,303	29,812	298,115	-
Total Deferred Inflows of Resources	<u>18,843,288</u>	<u>222,680</u>	<u>19,065,968</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	12,333,819	12,990,982	22,983,830	-
Restricted for:				
Pension Benefits	420,496	-	420,496	-
Capital Projects	6,704,275	-	6,704,275	-
Library Bequests	4,392	-	4,392	-
CDA Grant Activities	-	-	-	1,109,521
Unrestricted (deficit)	<u>(17,933,286)</u>	<u>590,060</u>	<u>(15,002,255)</u>	<u>-</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,529,696</u>	<u>\$ 13,581,042</u>	<u>\$ 15,110,738</u>	<u>\$ 1,109,521</u>

See accompanying notes to financial statements.

**VILLAGE OF SHOREWOOD**

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2019

(continued)

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government</b>				
Governmental Activities				
General government	\$ 1,593,432	\$ 633,845	\$ -	\$ -
Public safety	7,984,911	720,346	103,818	-
Public works	4,560,933	315,013	829,427	418,196
Health and social services	319,740	71,362	-	-
Culture and recreation	1,548,357	76,368	74,501	-
Conservation and development	381,562	-	-	-
Interest and fiscal charges	1,166,509	-	-	-
Total Governmental Activities	<u>17,555,444</u>	<u>1,816,934</u>	<u>1,007,746</u>	<u>418,196</u>
Business-Type Activities				
Parking	150,287	190,426	-	-
Water	1,579,499	2,063,299	-	-
Sewer	2,130,322	2,016,032	-	-
Total Business-Type Activities	<u>3,860,108</u>	<u>4,269,757</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 21,415,552</u>	<u>\$ 6,086,691</u>	<u>\$ 1,007,746</u>	<u>\$ 418,196</u>
<b>Component Unit</b>				
Community Development Authority	\$ 103,118	\$ -	\$ -	\$ -
Total Component Units	<u>\$ 103,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(concluded)

	Net (Expense) Revenue and Changes in Net Position			CDA Component Unit
	Primary Government		Totals	
	Governmental Activities	Business-Type Activities		
	\$ (959,587)	\$ -	\$ (959,587)	\$ -
	(7,160,747)	-	(7,160,747)	-
	(2,998,297)	-	(2,998,297)	-
	(248,378)	-	(248,378)	-
	(1,397,488)	-	(1,397,488)	-
	(381,562)	-	(381,562)	-
	(1,166,509)	-	(1,166,509)	-
	<u>(14,312,568)</u>	<u>-</u>	<u>(14,312,568)</u>	<u>-</u>
	-	40,139	40,139	-
	-	483,800	483,800	-
	-	(114,290)	(114,290)	-
	-	409,649	409,649	-
	<u>(14,312,568)</u>	<u>409,649</u>	<u>(13,902,919)</u>	<u>-</u>
	-	-	-	(103,118)
	-	-	-	(103,118)
General Revenues				
Taxes				
Property taxes, levied for general purposes	14,180,972	-	14,180,972	-
Property taxes, levied for debt service	1,833,085	-	1,833,085	-
Property taxes, levied for component unit	-	-	-	-
Intergovernmental revenues				
not restricted to specific programs	570,603	-	570,603	-
Investment income	663,244	46,059	709,303	7,400
Miscellaneous	259,003	-	259,003	6,703
Sale of assets	24,058	-	24,058	-
Transfers	207,524	(207,524)	-	-
Total General Revenues and Transfers	<u>17,738,489</u>	<u>(161,465)</u>	<u>17,577,024</u>	<u>14,103</u>
<b>Change in Net Position</b>	3,425,921	248,184	3,674,105	(89,015)
NET POSITION - BEGINNING OF YEAR	<u>(1,896,225)</u>	<u>13,332,858</u>	<u>11,436,633</u>	<u>1,198,536</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,529,696</u>	<u>\$ 13,581,042</u>	<u>\$ 15,110,738</u>	<u>\$ 1,109,521</u>

See accompanying notes to financial statements.

VILLAGE OF SHOREWOOD

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2019

	General	Debt Service	General Capital Projects	Capital Projects TID No. 1	Capital Projects TID No. 3	Capital Projects TID No. 4	Capital Projects TID No. 5	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>									
Cash and cash equivalents	\$ 1,653,684	\$ 982,388	\$ 109,764	\$ -	\$ -	\$ -	\$ -	\$ 644,502	\$ 3,390,338
Investments	8,528,397	-	-	-	-	-	-	-	8,528,397
Taxes and delinquent personal property taxes receivable (net of uncollectibles allowance)	4,108,543	888,395	296,523	973,704	388,031	249,877	658,536	495,831	8,059,440
Other receivables	133,631	-	732,220	91	223	1,091	2,476	25,778	895,510
Due from other governments	-	-	-	-	-	-	-	-	-
Prepaid items	12,254	-	-	-	-	-	-	-	12,254
Restricted asset - cash and cash equivalents	-	-	359,011	1,113,519	596,988	1,300,788	2,772,326	4,392	6,147,024
Loans and long-term receivable	394,303	-	-	-	-	2,985,000	-	-	3,379,303
Advances to other funds	615,875	-	-	-	-	-	-	-	615,875
<b>TOTAL ASSETS</b>	<b>\$ 15,446,687</b>	<b>\$ 1,870,783</b>	<b>\$ 1,497,518</b>	<b>\$ 2,087,314</b>	<b>\$ 985,242</b>	<b>\$ 4,536,756</b>	<b>\$ 3,433,338</b>	<b>\$ 1,170,503</b>	<b>\$ 31,028,141</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts payable	\$ 287,819	\$ -	\$ 82,038	\$ -	\$ 22	\$ -	\$ -	\$ 20,753	\$ 390,632
Accrued liabilities	357,208	-	-	49	97	49	48	33,271	390,722
Liabilities payable from restricted assets	-	-	-	-	-	103,428	-	-	103,428
<b>Total Liabilities</b>	<b>645,027</b>	<b>-</b>	<b>82,038</b>	<b>49</b>	<b>119</b>	<b>103,477</b>	<b>48</b>	<b>54,024</b>	<b>884,782</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Taxes levied for subsequent year's budget	8,404,391	1,833,085	387,800	2,009,109	800,650	515,588	1,358,803	1,023,083	16,332,509
Other unavailable revenues	50,407	-	546,718	63	155	759	1,723	-	599,825
<b>Total Deferred Inflows of Resources</b>	<b>8,454,798</b>	<b>1,833,085</b>	<b>934,518</b>	<b>2,009,172</b>	<b>800,805</b>	<b>516,347</b>	<b>1,360,526</b>	<b>1,023,083</b>	<b>16,932,334</b>
<b>FUND BALANCES</b>									
Nonspendable - prepaids	12,254	-	-	-	-	-	-	-	12,254
Nonspendable - long-term receivables (net of current)	853,163	-	-	-	-	-	-	-	853,163
Restricted	-	-	359,011	78,093	184,318	3,916,932	2,072,764	4,392	6,615,510
Committed	-	37,698	-	-	-	-	-	89,004	126,702
Assigned	576,226	-	121,951	-	-	-	-	-	698,177
Unassigned (deficit)	4,905,219	-	-	-	-	-	-	-	4,905,219
<b>Total Fund Balances</b>	<b>6,346,862</b>	<b>37,698</b>	<b>480,962</b>	<b>78,093</b>	<b>184,318</b>	<b>3,916,932</b>	<b>2,072,764</b>	<b>93,396</b>	<b>13,211,025</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 15,446,687</b>	<b>\$ 1,870,783</b>	<b>\$ 1,497,518</b>	<b>\$ 2,087,314</b>	<b>\$ 985,242</b>	<b>\$ 4,536,756</b>	<b>\$ 3,433,338</b>	<b>\$ 1,170,503</b>	<b>\$ 31,028,141</b>

See accompanying notes to financial statements.

**VILLAGE OF SHOREWOOD**

**RECONCILIATION OF THE BALANCE SHEET TO THE  
STATEMENT OF NET POSITION**

For the Year Ended December 31, 2019

Fund balances - total governmental funds	\$ 13,211,025
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds	
Land	4,491,320
Artwork	330,000
Construction in progress	193,823
Machinery and equipment	4,919,415
Intangibles	69,793
Buildings and building improvements	14,109,771
Infrastructure	32,469,431
Less: accumulated depreciation	<u>(25,714,254)</u>
Total adjustment for capital assets	<u>30,869,299</u>
Deferred outflows are not current financial resources and, therefore, are not reported in the governmental funds	
Pension	3,417,128
OPEB	309,429
Gains/losses on refundings are capitalized in the government-wide financial statements	
	25,237
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	
	93,157
Net pension Liabilities are not current financial resources and, therefore, are not reported in the governmental funds	
	(1,260,824)
Deferred inflows are not current financial resources and, therefore, are not reported in the governmental funds	
Pension	(1,735,808)
OPEB	(268,303)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. The details of this adjustment are as follows:	
General obligation debt	(38,721,709)
(Discounts)/premiums	(661,593)
Other post employment benefits	(2,968,010)
Compensated absences	(369,779)
Retiree sick leave	(44,188)
Accrued interest on debt	<u>(365,365)</u>
Total adjustment for long-term obligations	<u>(43,130,644)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,529,696</u></b>

See accompanying notes to financial statements.

VILLAGE OF SHOREWOOD

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2019

	General	Debt Service	General Capital Projects	Capital Projects TID No. 1	Capital Projects TID No. 3	Capital Projects TID No. 4	Capital Projects TID No. 5	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>									
Taxes	\$ 8,269,259	\$ 1,833,085	\$ 368,820	\$ 1,935,451	\$ 762,216	\$ 533,589	\$ 1,297,059	\$ 1,014,575	\$ 16,014,054
Intergovernmental	1,381,137	-	308,942	24,720	1,319	255	2,459	74,501	1,793,333
Licenses and permits	490,860	-	-	-	-	-	-	-	490,860
Fines	592,697	-	-	-	-	-	-	-	592,697
Charges for services	437,860	-	203,213	-	-	-	-	160,555	801,628
Investment income	449,395	-	-	17,238	6,852	122,774	53,605	-	649,864
Other revenues	209,009	-	-	-	50,000	-	-	72,705	331,714
Total Revenues	<u>11,830,217</u>	<u>1,833,085</u>	<u>880,975</u>	<u>1,977,409</u>	<u>820,387</u>	<u>656,618</u>	<u>1,353,123</u>	<u>1,322,336</u>	<u>20,674,150</u>
<b>EXPENDITURES</b>									
Current									
General government	1,261,912	-	-	-	-	-	-	88,857	1,350,769
Public safety	7,246,308	-	-	-	-	-	-	-	7,246,308
Public works	2,383,712	-	-	-	-	-	-	-	2,383,712
Health and social services	132,416	-	-	-	-	-	-	177,903	310,319
Culture and recreation	206,610	-	-	-	-	-	-	1,049,054	1,255,664
Conservation and development	232,435	-	-	8,584	117,523	2,220	2,220	-	362,982
Capital Outlay	-	-	2,079,224	-	-	-	-	-	2,079,224
Debt Service									
Principal retirement	-	4,973,137	-	-	-	-	-	-	4,973,137
Interest and fiscal charges	-	1,251,345	-	-	-	-	-	-	1,251,345
Bond issuance costs	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>11,463,393</u>	<u>6,224,482</u>	<u>2,079,224</u>	<u>8,584</u>	<u>117,523</u>	<u>2,220</u>	<u>2,220</u>	<u>1,315,814</u>	<u>21,213,460</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>366,824</u>	<u>(4,391,397)</u>	<u>(1,198,249)</u>	<u>1,968,825</u>	<u>702,864</u>	<u>654,398</u>	<u>1,350,903</u>	<u>6,522</u>	<u>(539,310)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Proceeds from the sale of capital assets	-	-	24,058	-	-	-	-	-	24,058
General obligation debt issued	-	-	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-	-
Transfers in	215,748	4,341,795	-	-	-	-	-	-	4,557,543
Transfers out	(253,912)	-	-	(2,775,247)	(390,095)	(502,644)	(419,897)	(8,224)	(4,350,019)
Total Other Financing Sources (Uses)	<u>(38,164)</u>	<u>4,341,795</u>	<u>24,058</u>	<u>(2,775,247)</u>	<u>(390,095)</u>	<u>(502,644)</u>	<u>(419,897)</u>	<u>(8,224)</u>	<u>231,582</u>
<b>Net Change in Fund Balance</b>	<u>328,660</u>	<u>(49,602)</u>	<u>(1,174,191)</u>	<u>(806,422)</u>	<u>312,769</u>	<u>151,754</u>	<u>931,006</u>	<u>(1,702)</u>	<u>(307,728)</u>
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	<u>6,018,202</u>	<u>87,300</u>	<u>1,655,153</u>	<u>884,515</u>	<u>(128,451)</u>	<u>3,765,178</u>	<u>1,141,758</u>	<u>95,098</u>	<u>13,518,753</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,346,862</u>	<u>\$ 37,698</u>	<u>\$ 480,962</u>	<u>\$ 78,093</u>	<u>\$ 184,318</u>	<u>\$ 3,916,932</u>	<u>\$ 2,072,764</u>	<u>\$ 93,396</u>	<u>\$ 13,211,025</u>

See accompanying notes to financial statements.

**VILLAGE OF SHOREWOOD**

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

For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$ (307,728)
Amounts reported for governmental activities in the statement of activities are different because:	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives with depreciation expense reported in the statement of activities</p>	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,079,224
Some items reported as capital outlay were not capitalized Miscellaneous non-capitalized capital outlay	(824,389)
Depreciation is reported in the government-wide statements	(1,999,660)
Net change in net pension assets are not current financial resources and, therefore, are not reported in the government-wide financial statements	(512,244)
Net change in OPEB liabilities are not current financial resources and, therefore, are not reported in the government-wide financial statements	41,126
<p>Receivables not currently available are reported as deferred inflows in the fund financial statements but are recognized as revenue when earned in the government-wide statements</p>	
Current year receivables added to revenue	93,157
Less: receivables recognized as revenue in previous years	(17,524)
<p>The issuance of debt provides current financial resources to governmental funds, but increases long-term liabilities in the statement of net position. Repayments of debt is an expenditure in the governmental funds, but the reduces debt in the statement of net position</p>	
Contribution to North Shore Fire Department debt	(116,641)
Principal repaid	4,973,137
Amortization of the loss on advanced refunding	(12,618)
<p>Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities</p>	
Amortization of discounts/premiums	64,166
<p>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</p>	
Compensated absences	(29,538)
Net OPEB liability	(55,485)
Retiree insurance	17,650
Accrued interest on debt	33,288
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 3,425,921</u></b>

See accompanying notes to financial statements.

VILLAGE OF SHOREWOOD

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

As of December 31, 2019

	Business-Type Activities			Totals
	Enterprise Funds			
	Parking Utility	Water Utility	Sewer Utility	
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 469,967	\$ 271,345	\$ 517,859	\$ 1,259,171
Receivables	637	347,905	386,257	734,799
Restricted asset - cash and cash equivalents	-	492,146	-	492,146
Current portion of advance	21,007	-	-	21,007
Inventories	-	39,229	-	39,229
Total Current Assets	<u>491,611</u>	<u>1,150,625</u>	<u>904,116</u>	<u>2,546,352</u>
Noncurrent Assets				
Capital Assets				
Land	233,345	-	-	233,345
Construction in progress	-	34,310	235,951	270,261
Other capital assets, net of depreciation	71,508	6,175,746	17,156,106	23,403,360
Long-term portion of advances	114,436	-	-	114,436
Total Noncurrent Assets	<u>419,289</u>	<u>6,210,056</u>	<u>17,392,057</u>	<u>24,021,402</u>
Total Assets	<u>910,900</u>	<u>7,360,681</u>	<u>18,296,173</u>	<u>26,567,754</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related deferred outflows	-	189,840	189,840	379,680
OPEB related deferred outflows	-	17,190	17,190	34,380
Total Deferred Outflows of Resources	<u>-</u>	<u>207,030</u>	<u>207,030</u>	<u>414,060</u>
Total Assets and Deferred Outflows	<u>910,900</u>	<u>7,567,711</u>	<u>18,503,203</u>	<u>26,981,814</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable and accrued liabilities	32,962	95,015	123,293	251,270
Accrued interest payable	1,449	36,811	63,822	102,082
Current portion of debt	20,752	238,098	466,446	725,296
Current portion of advances	-	115,000	63,022	178,022
Total Current Liabilities	<u>55,163</u>	<u>484,924</u>	<u>716,583</u>	<u>1,256,670</u>
Noncurrent Liabilities				
General obligation debt	147,762	3,438,301	5,204,782	8,790,845
Revenue Bonds	-	-	2,095,000	2,095,000
Advances from other funds	-	230,000	343,296	573,296
Net Pension Liability	-	70,045	70,045	140,090
Other postemployment benefits (OPEB)	-	149,909	149,909	299,818
Retiree sick leave	-	6,981	-	6,981
Compensated absences	2,026	6,683	6,683	15,392
Total Noncurrent Liabilities	<u>149,788</u>	<u>3,901,919</u>	<u>7,869,715</u>	<u>11,921,422</u>
Total Liabilities	<u>204,951</u>	<u>4,386,843</u>	<u>8,586,298</u>	<u>13,178,092</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related deferred Inflows	-	96,434	96,434	192,868
OPEB related deferred Inflows	-	14,906	14,906	29,812
Total Deferred Inflows of Resources	<u>-</u>	<u>111,340</u>	<u>111,340</u>	<u>222,680</u>
<b>NET POSITION</b>				
Net investment in capital assets	304,852	3,043,049	9,643,081	12,990,982
Unrestricted (deficit)	401,097	26,479	162,484	590,060
<b>TOTAL NET POSITION</b>	<u>\$ 705,949</u>	<u>\$ 3,069,528</u>	<u>\$ 9,805,565</u>	<u>\$ 13,581,042</u>

See accompanying notes to financial statements.

**VILLAGE OF SHOREWOOD**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND  
NET POSITION - PROPRIETARY FUNDS  
For the Year Ended December 31, 2019

	Business-Type Activities Enterprise Funds			Totals
	Parking Utility	Water Utility	Sewer Utility	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 190,386	\$ 2,032,361	\$ 1,994,000	\$ 4,216,747
Miscellaneous revenues	40	30,938	22,032	53,010
Total Operating Revenues	<u>190,426</u>	<u>2,063,299</u>	<u>2,016,032</u>	<u>4,269,757</u>
<b>OPERATING EXPENSES</b>				
Operation and maintenance	141,329	1,315,370	1,542,816	2,999,515
Depreciation	5,500	147,426	372,889	525,815
Total Operating Expenses	<u>146,829</u>	<u>1,462,796</u>	<u>1,915,705</u>	<u>3,525,330</u>
Operating Income (loss)	<u>43,597</u>	<u>600,503</u>	<u>100,327</u>	<u>744,427</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	16,532	21,351	8,176	46,059
Interest expense	(3,458)	(116,703)	(214,617)	(334,778)
Total Nonoperating Revenues (Expenses)	<u>13,074</u>	<u>(95,352)</u>	<u>(206,441)</u>	<u>(288,719)</u>
Income (Loss) Before Transfers	56,671	505,151	(106,114)	455,708
<b>TRANSFERS OUT</b>	<u>(40,202)</u>	<u>(162,185)</u>	<u>(5,137)</u>	<u>(207,524)</u>
<b>Change in Net Position</b>	16,469	342,966	(111,251)	248,184
TOTAL NET POSITION - BEGINNING OF YEAR	<u>689,480</u>	<u>2,726,562</u>	<u>9,916,816</u>	<u>13,332,858</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 705,949</u>	<u>\$ 3,069,528</u>	<u>\$ 9,805,565</u>	<u>\$ 13,581,042</u>

See accompanying notes to financial statements.

VILLAGE OF SHOREWOOD

STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2019

(continued)

	Business-Type Activities Enterprise Funds			Totals
	Parking Utility	Water Utility	Sewer Utility	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from customers	\$ 190,426	\$ 2,085,667	\$ 2,181,477	\$ 4,457,570
Paid to suppliers for goods and services	(133,213)	(1,020,430)	(1,239,271)	(2,392,914)
Paid to employees for services	(36,673)	(252,161)	(222,757)	(511,591)
Net Cash Flows From Operating Activities	<u>20,540</u>	<u>813,076</u>	<u>719,449</u>	<u>1,553,065</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Paid to village for tax equivalent	(40,202)	(162,185)	(5,137)	(207,524)
Payments received on advances	20,421	-	-	20,421
Payments made on advances	-	(115,000)	(61,264)	(176,264)
Interest received on advances	4,473	-	-	4,473
Interest paid on advances	-	(14,950)	(13,419)	(28,369)
Net Cash Flows From Noncapital Financing Activities	<u>(15,308)</u>	<u>(292,135)</u>	<u>(79,820)</u>	<u>(387,263)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	<u>12,702</u>	<u>22,044</u>	<u>10,145</u>	<u>44,891</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	-	(450,214)	(128,910)	(579,124)
Payments of long-term debt	(20,000)	(216,279)	(424,791)	(661,070)
Interest paid on long-term debt	(3,877)	(109,091)	(213,249)	(326,217)
Net Cash Flows From Capital and Related Financing Activities	<u>(23,877)</u>	<u>(775,584)</u>	<u>(766,950)</u>	<u>(1,566,411)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(5,943)	(232,599)	(117,176)	(355,718)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>475,910</u>	<u>996,090</u>	<u>635,035</u>	<u>2,107,035</u>
<b>TOTAL CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 469,967</u>	<u>\$ 763,491</u>	<u>\$ 517,859</u>	<u>\$ 1,751,317</u>

(This statement is continued on the following page.)

VILLAGE OF SHOREWOOD

STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2019

(concluded)

	Business-Type Activities Enterprise Funds			Totals
	Parking Utility	Water Utility	Sewer Utility	
Ending Total Cash and Cash Equivalents are comprised of:				
Cash and cash equivalents	\$ 469,967	\$ 271,345	\$ 517,859	\$ 1,259,171
Restricted - cash and cash equivalents	-	492,146	-	492,146
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 469,967</b>	<b>\$ 763,491</b>	<b>\$ 517,859</b>	<b>\$ 1,751,317</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES</b>				
Operating income	\$ 43,597	\$ 600,503	\$ 100,327	\$ 744,427
Adjustments to reconcile operating income to net cash provided from operating activities				
Noncash items included in income				
Depreciation	5,500	147,426	372,889	525,815
Depreciation charged to other accounts	-	13,161	(13,161)	-
Accrued other post employment benefits	-	3,083	3,082	6,165
Accrued sick leave	-	6,982	-	6,982
Changes in assets and liabilities				
Accounts receivable	-	22,373	165,442	187,815
Inventories	-	(5,492)	-	(5,492)
Prepayments	-	-	-	-
Accounts payable and accrued liabilities	(28,557)	1,719	76,239	49,401
OPEB related deferred inflows/outflows	-	(2,285)	(2,285)	(4,570)
Pension Related deferred inflows / outflows	-	25,606	16,916	42,522
Net Cash Flows From Operating Activities	<u>\$ 20,540</u>	<u>\$ 813,076</u>	<u>\$ 719,449</u>	<u>\$ 1,553,065</u>

See accompanying notes to financial statements.

VILLAGE OF SHOREWOOD

STATEMENT OF FIDUCIARY NET POSITION -  
FIDUCIARY FUND  
As of December 31, 2019

---

	Tax Collection Custodial Fund
	<u>                    </u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 17,814,576
Property taxes receivable	16,896,129
Other receivable	<u>92</u>
 TOTAL ASSETS	 <u>\$ 34,710,797</u>
 <b>LIABILITIES</b>	
Accounts payable	\$ 49,654
Due to other taxing units	<u>34,661,143</u>
 TOTAL LIABILITIES	 <u>\$ 34,710,797</u>

See accompanying notes to financial statements.

VILLAGE OF SHOREWOOD

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
FIDUCIARY FUND  
As of December 31, 2019

---

	Tax Collection Custodial Fund
	<u>                    </u>
<b>REVENUES</b>	
Tax collections	\$ 34,224,350
Other receivable	<u>83,068</u>
 TOTAL REVENUES	 <u>34,307,418</u>
<b>EXPENSES</b>	
Tax distributions	34,224,350
Other expenses	<u>83,068</u>
 TOTAL EXPENSES	 <u>34,307,418</u>
 <b>Change in Net Position</b>	  -
 TOTAL NET POSITION - BEGINNING OF YEAR	  <u>-</u>
 <b>TOTAL NET POSITION - END OF YEAR</b>	  <u>\$ -</u>

See accompanying notes to financial statements.

# VILLAGE OF SHOREWOOD

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2019

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## **NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the Village of Shorewood, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

### ***A. REPORTING ENTITY***

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.

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.

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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***B. BASIS OF PRESENTATION***

***Government-Wide 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 non-fiduciary activities of the Village and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the Village is financially accountable.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the Village's enterprise funds. 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. As discussed earlier, the Village's component unit is shown as a separate column in the government-wide financial statements.

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

***Fund Financial Statements***

The fund financial statements provide information about the Village's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

General Fund - accounts for the Village's primary operating activities. It is used to account for and report all financial resources not accounted for and reported in another fund.

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

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

***B. BASIS OF PRESENTATION*** (continued)

***Fund Financial Statements*** (continued)

Capital Projects Funds - are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The Village reports the following major capital projects funds:

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

Tax Incremental District (TID) No. 1 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.

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.

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.

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 enterprise funds:

Parking Utility - accounts for the operations of the parking system.

Water Utility - accounts for operations of the water system.

Sewer Utility - accounts for operations of the sewer system.

In addition, the Village uses fiduciary funds to account for fiduciary activities (e.g., assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units). The Village reports its Tax Collection Fund as a Custodial Fund. This fund accounts for property tax collections made on behalf of other organizations.

## **NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

### ***B. BASIS OF PRESENTATION*** (continued)

#### ***Fund Financial Statements*** (continued)

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

In the governmental fund financial statements, advances to other funds are offset equally by nonspendable fund balance, within the General Fund, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. When the proceeds of a noncurrent receivable are restricted, committed, or assigned, as is typically the case with receivable outside of the General Fund, the long-term portion is shown as restricted, committed, or assigned, rather than as nonspendable.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

### ***C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (continued)**

The 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. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, except for reimbursement based grants and similar items which are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

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.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

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

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY***

***1. Cash, Cash Equivalents, and Investments***

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

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:

- a. Time deposits in any credit union, bank, savings bank, or trust company maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, Village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or by the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions, and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

**Custodial Credit Risk**

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. Treasuries, U.S. government agencies, U.S. government guaranteed securities, or general obligations of states or 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.

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

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

**1. Cash, Cash Equivalents, and Investments (continued)**

**Interest Rate Risk**

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. .

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.

See Note-III-A for further information.

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

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

**2. Receivables**

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the 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 - 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	March 31, 2020
Third installment due	May 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale - 2019 delinquent real estate taxes	October 2022

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.

**3. 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.

**4. 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 (2) 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.

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

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

**4. Capital Assets (continued)**

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. 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>
Buildings 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.

**5. 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 position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Village has items that qualify for reporting in this category, the unamortized loss on refunding and the amounts related to pensions. An unamortized loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt.

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**5. *Deferred Outflows/Inflows of Resources* (continued)**

The Village reports deferred inflows of resources for property taxes levied but supporting the subsequent years' budget. These deferred inflows are reports 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. 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.

**6. *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.

**7. *Retiree Sick Leave Bank***

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.

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

***8. 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.

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.

***9. 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.

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

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

***10. Claims and Judgments***

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board 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. Refer to Note-IV-F on commitments and contingencies.

***11. Equity Classifications***

***Government-Wide Statements***

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

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

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

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

**11. Equity Classifications (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.

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

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**12. *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.

**13. *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.

Current water rates were approved by the Public Service Commission of Wisconsin (PSCW) and effective January 1, 2017. Current sewer rates were approved by the Village Board and effective November 15, 2014. Current monthly parking rates were approved by the Village Board and effective January 1, 2015.

**NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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***LIMITATIONS ON 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.

Municipalities can carry forward up to ½ of one percent of their prior year unused capacity with a majority vote of the Village Board or up to 1½ percent 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.

**NOTE III – DETAILED NOTES ON ALL FUNDS**

**A. CASH, CASH EQUIVALENTS, 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.

The Village's deposits and investments at year end were comprised of the following:

	Statement Balance	Carrying Value	Associated Risks
Petty cash	\$ -	\$ 1,441	N/A
Demand deposits / Money Market funds	7,202,105	7,202,105	Custodial credit risk
LGIP	22,902,171	22,902,171	Credit risk
US agency securities	324,815	324,815	Custodial credit and interest rate
Municipal bonds	5,368,958	5,368,958	Custodial credit, credit risk, concentration of credit, and interest rate
Certificates of deposit	<u>2,834,625</u>	<u>2,834,625</u>	Custodial credit, and concentration of credit risk
	<u>\$ 38,632,674</u>	<u>\$ 38,634,115</u>	

Reconciliation to financial statements

Per statement of net position

Cash and cash equivalents	\$ 4,649,509
Investments	8,528,397
Restricted cash and cash equivalents	6,639,170
Cash held for component unit (CDA)	1,002,463

Per statement of net position - Fiduciary Fund

Cash and cash equivalents	<u>17,814,576</u>
Total cash and investments	<u>\$ 38,634,115</u>

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; Level 3 inputs are significant unobservable inputs.

The Village has the following recurring fair value measurements as of December 31, 2019:

U.S agency securities of \$324,815, and municipal bonds of \$5.4 million are valued using a matrix pricing model (Level 2 inputs).

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

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**A. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)**

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 the 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.

***Custodial Credit Risk***

Deposits

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

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2019, all of the Village's investments that were not covered by SIPC were exposed to custodial credit risk.

***Credit Risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investments are restricted in accordance with Wisconsin Statutes section 66.0603. As of December 31, 2019, the Village's investments were rated as follows:

Moody's Investors	
<u>Services Rating</u>	<u>Municipal Bonds</u>
Aaa	\$ -
Aa1	1,048,134
Aa2	1,949,155
Aa3	733,673
A1	599,093
A2	1,038,903
Unrated	-
<b>Total</b>	<b><u>\$ 5,368,958</u></b>

The Village also held funds in the Local Government Investment Pool (LGIP) which is not rated.

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

**A. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)**

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. As of December 31, 2019, the Village's investments were as follows:

Investment Type	Fair Value	Maturity (in years)				
		< 1 year	1 - 2	2 - 3	3 - 4	4 - 5
Municipal bonds	\$ 5,368,958	\$1,362,388	\$ 2,282,932	\$ 511,903	\$ 1,130,337	\$ 81,398
U.S. agencies	324,815	-	-	324,815	-	-
Total	<u>\$ 5,693,773</u>	<u>\$1,362,388</u>	<u>\$ 2,282,932</u>	<u>\$ 836,718</u>	<u>\$ 1,130,337</u>	<u>\$ 81,398</u>

Maturities represented above assume that all investments are held until the final maturity date, with the exception of the US agency securities held in overnight repurchase agreements which are sold daily.

***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. As of December 31, 2019, the Village had no investments that exposed it to concentration of credit risk.

See Note I-D-1. for the Village's investment policy and further information on deposits and investments.

**B. 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. At the end of the current fiscal year, the various components of deferred inflows reported in the governmental funds were as follows:

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

**B. RECEIVABLES (continued)**

Deferred Inflows	Unavailable	Unearned	Total
Property taxes levied for subsequent year's budget	\$ -	\$ 16,332,509	\$ 16,332,509
Revenues earned but not available	<u>599,825</u>	<u>-</u>	<u>599,825</u>
Total Deferred Inflows for Governmental Funds	<u>\$ 599,825</u>	<u>\$ 16,332,509</u>	<u>\$ 16,932,334</u>

**Loans Receivable**

Loans outstanding at year-end are as follows:

Program	Amount Approved	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Neighborhood Loan Program	535,000	337,024	20,000	45,429	311,595	5,950
Private Lead Lateral Program	100,000	-	106,720	24,012	82,708	21,344
Other Loans Lighthouse	<u>3,535,000</u>	<u>3,085,000</u>	<u>-</u>	<u>100,000</u>	<u>2,985,000</u>	<u>100,000</u>
Total	<u>\$ 4,170,000</u>	<u>\$ 3,422,024</u>	<u>\$ 126,720</u>	<u>\$ 169,441</u>	<u>\$ 3,379,303</u>	<u>\$ 127,294</u>

Individual loan programs and terms are described below.

The Neighborhood Loan Program is designed to assist residents in purchasing or making certain improvements to homes within the Village. All loans are noninterest bearing and are only due upon refinancing or sale of the property. The maximum loan amount is \$20,000. As of December 31, 2019, there were 20 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 noninterest bearing, and are repaid over a 5 year period through special assessments levied on the property. As of December 31, 2019, there were 17 loans outstanding at year-end.

Other Loans Receivable is a loan to the developer totaling \$3,535,000. This loan bears interest of 2.0%-3.5% 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 \$2,145,000 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.

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

**C. RESTRICTED ASSETS**

As of December 31, 2019, the Village reported restricted cash and cash equivalents for the following purposes and funds:

Fund	Restricted cash & equivalent	Restricted Fund Balance
General Capital Projects Fund		
Upsent bond proceeds for capital purposes	<u>359,011</u>	<u>359,011</u>
Capital Projects - TID No.1		
Restricted for special purposes	<u>1,113,519</u>	<u>78,093</u>
Capital Projects - TID No.3		
Restricted for special purposes	<u>596,988</u>	<u>184,318</u>
Capital Projects - TID No.4		
Restricted for special purposes	<u>1,300,788</u>	<u>3,916,932</u>
Capital Projects - TID No.5		
Restricted for special purposes	<u>2,772,236</u>	<u>2,772,236</u>
Nonmajor Governmental Funds		
Restricted for special purposes	<u>4,392</u>	<u>4,392</u>
Total Governmental Activities	<u>\$ 6,146,934</u>	<u>\$ 7,314,982</u>
Water Utility		
Upsent bond proceeds for capital purposes	<u>\$ 492,146</u>	<u>\$ -</u>
Sewer Utility		
Upsent bond proceeds for capital purposes	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 492,146</u>	<u>\$ -</u>

Any liabilities payable from restricted assets represent payments which will be paid from the restricted cash balances.

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated				
Land	\$ 4,491,320	\$ -	\$ -	\$ 4,491,320
Artwork	330,000	-	-	330,000
Construction in progress	<u>164,515</u>	<u>70,491</u>	<u>41,183</u>	<u>193,823</u>
Total Capital Assets Not Being Depreciated	<u>4,985,835</u>	<u>70,491</u>	<u>41,183</u>	<u>5,015,143</u>
Capital Assets Being Depreciated				
Machinery and equipment	4,587,801	465,817	134,203	4,919,415
Intangible assets software	87,810	-	18,017	69,793
Buildings and improvements	14,109,771	-	-	14,109,771
Infrastructure	<u>31,906,302</u>	<u>759,710</u>	<u>196,581</u>	<u>32,469,431</u>
Total Capital Assets Being Depreciated	<u>50,691,684</u>	<u>1,225,527</u>	<u>348,801</u>	<u>51,568,410</u>
Total Capital Assets	<u>55,677,519</u>	<u>1,296,018</u>	<u>389,984</u>	<u>56,583,553</u>
Less: Accumulated Depreciation for				
Machinery and equipment	2,494,180	375,412	134,203	2,735,389
Intangible assets software	87,810	-	18,017	69,793
Buildings and improvements	4,181,873	385,153	-	4,567,026
Infrastructure	<u>17,299,532</u>	<u>1,239,095</u>	<u>196,581</u>	<u>18,342,046</u>
Total Accumulated Depreciation	<u>24,063,395</u>	<u>1,999,660</u>	<u>348,801</u>	<u>25,714,254</u>
Net Depreciable Assets	<u>26,628,289</u>			<u>25,854,156</u>
Total Governmental Activities	<u>\$ 31,614,124</u>			<u>\$ 30,869,299</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 84,736
Public safety	197,917
Health and social services	704
Public works, which includes the depreciation of infrastructure	1,502,146
Culture and recreation	<u>214,157</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,999,660</u>

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

**D. CAPITAL ASSETS (continued)**

<b>Business-Type Activities</b>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 233,345	\$ -	\$ -	\$ 233,345
Construction in progress	235,951	34,310	-	270,261
Total Capital Assets				
Not Being Depreciated	469,296	34,310	-	503,606
Capital Assets Being Depreciated				
Water utility system	7,508,413	401,230	33,948	7,875,695
Sewer collection system	19,851,256	128,910	-	19,980,166
Parking improvements	501,569	-	-	501,569
Machinery and equipment	984,347	35,190	-	1,019,537
Total Capital Assets Being Depreciated	28,845,585	565,330	33,948	29,376,967
Total Capital Assets	29,314,881	599,640	33,948	29,880,573
Less: Accumulated Depreciation for				
Water utility system	1,625,215	153,244	13,432	1,765,027
Sewer collection system	2,615,631	325,382	-	2,941,013
Parking improvements	424,562	5,500	-	430,062
Machinery and equipment	795,816	41,689	-	837,505
Total Accumulated Depreciation	5,461,224	525,815	13,432	5,973,607
Net Depreciable Assets	23,384,361			23,403,360
Total Business-Type Activities	<u>\$ 23,853,657</u>			<u>\$ 23,906,966</u>

Depreciation expense was charged to functions as follows:

<b>Business-Type Activities</b>	
Water	\$ 147,426
Sewer	372,889
Parking	5,500
Total Business-type Activities Depreciation Expense	<u>\$ 525,815</u>

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

**E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES, AND TRANSFERS**

***Interfund Receivables/Payables***

The principal purpose of these interfunds is to fund cash overdrafts. For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated. There were no interfund receivables as of December 31, 2019.

***Advances***

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Non Current
General Fund	Water Utility	\$ 345,000	\$ 230,000
General Fund	Sewer Utility	<u>270,875</u>	<u>228,860</u>
Subtotal General Fund		615,875	458,860
Parking Utility	Sewer Utility	<u>135,443</u>	<u>114,366</u>
Total - Fund Financial Statements		751,318	<u>\$ 573,226</u>
Less: Fund eliminations		<u>(135,443)</u>	
Total Internal Balances - Statement of Net Position		615,875	

Payment schedules have been established and interest is being charged on all of the advances. Interfund advances are due as follows:

Years	Governmental Activities Advances to						Business-Type Advances	
	Water Utility		Sewer Utility		Total		Parking Utility to Sewer Utility	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	115,000	11,213	42,015	7,774	157,015	18,987	21,007	3,887
2021	115,000	7,475	43,221	6,568	158,221	14,043	21,610	3,284
2022	115,000	3,738	44,461	5,328	159,461	9,066	22,230	2,664
2023	-	-	45,737	4,052	45,737	4,052	22,868	2,026
2024	-	-	47,050	2,739	47,050	2,739	23,524	1,370
2025	-	-	<u>48,391</u>	<u>1,398</u>	<u>48,391</u>	<u>1,398</u>	<u>24,204</u>	<u>690</u>
Total	<u>\$ 345,000</u>	<u>\$ 22,426</u>	<u>\$ 270,875</u>	<u>\$ 27,859</u>	<u>\$ 615,875</u>	<u>\$ 50,285</u>	<u>\$ 135,443</u>	<u>\$ 13,921</u>

The purpose of these advances was to provide for sufficient operating cash flow. These advances will be repaid through future user fees. All current advances will be repaid in full by 2025.

For the statement of net position, interfund advances which are owed within the governmental activities or business-type activities are netted and eliminated.

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

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

***Transfers***

The following is a schedule of interfund transfers:

<u>Transferred To</u>	<u>Transferred From</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water Utility	\$ 162,185	Payment in lieu of taxes
General Fund	Sewer Utility	5,137	Payment in lieu of taxes
General Fund	Parking Utility	40,202	Payment in lieu of taxes
General Fund	Library	<u>8,224</u>	Administration allocation
Subtotal General Fund		<u>215,748</u>	
Debt Service Fund	General Fund	253,912	Debt service
Debt Service Fund	TID No. 1	2,775,247	Debt service
Debt Service Fund	TID No. 3	390,095	Debt service
Debt Service Fund	TID No. 4	502,644	Debt service
Debt Service Fund	TID No. 5	<u>419,897</u>	Debt service
Subtotal Debt Service Fund		<u>4,341,795</u>	
Total - Fund Financial Statements		4,557,543	
Less: Fund Eliminations		<u>(4,350,019)</u>	
Total Transfer - Government-Wide			
Statement of Activities		<u>\$ 207,524</u>	

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

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

**F. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 43,578,206	\$ 116,641	\$ 4,973,138	\$ 38,721,709	\$ 3,503,903
(Discounts)/premiums	725,759	-	64,166	661,593	64,166
Total General Obligation Debt	44,303,965	116,641	5,037,304	39,383,302	3,568,069
Other Liabilities					
Other postemployment benefits	2,912,525	55,485	-	2,968,010	270,000
Compensated absences	340,241	242,532	212,994	369,779	250,000
Retiree sick leave	61,838	-	17,650	44,188	10,000
Total Other Liabilities	3,314,604	298,017	230,644	3,381,977	530,000
Total Governmental Activities	\$ 47,618,569	\$ 414,658	\$ 5,267,948	\$ 42,765,279	\$ 4,098,069
<b>Business-Type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 9,838,975	\$ -	\$ 566,070	\$ 9,272,905	\$ 575,246
(Discounts)/premiums	223,289	-	15,053	208,236	15,050
Total General Obligation Debt	10,062,264	-	581,123	9,481,141	590,296
Total Revenue Bonds	2,190,000	-	95,000	2,095,000	100,000
Other Liabilities					
Other postemployment benefits	323,652	6,166	-	329,818	30,000
Compensated absences	21,452	4,880	5,940	20,392	5,000
Retiree sick leave	-	7,938	957	6,981	-
Total Other Liabilities	345,104	18,984	6,897	357,191	35,000
Total Business-Type Activities	\$ 12,597,368	\$ 18,984	\$ 683,020	\$ 11,933,332	\$ 725,296

**General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the Debt Service Fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2019, was \$87,761,120. Total general obligation debt outstanding at year-end was \$47,994,614. This leaves a remaining legal debt margin of \$39,766,506.

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

**F. LONG-TERM OBLIGATIONS (continued)**

**General Obligation Debt (continued)**

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance Outstanding
<b>Governmental Activities</b>					
Taxable issues					
Corp Purpose Bonds	5/11/2010	5/1/2025	1.00-5.20%	4,576,554	852,095
Community Dev Bonds	3/8/2012	12/1/2031	2.00-3.25%	6,165,000	5,085,000
Tax-exempt issues					
Corp Purpose Bonds	8/8/2011	8/1/2026	.085-3.90%	6,390,000	2,605,000
Community Dev Bonds	3/8/2012	12/1/2028	2.00-3.50%	1,990,000	1,565,000
Corp Purpose Bonds	8/7/2012	8/1/2032	2.00-3.00%	4,065,000	2,570,000
Refunding Bonds	12/30/2013	12/30/2022	2.00-3.00%	5,290,000	2,205,000
Corp Purpose Bonds	10/23/2014	4/1/2034	2.00-3.00%	4,070,000	3,285,000
Community Dev Bonds	1/22/2015	5/1/2022	2.10-3.00%	8,050,000	6,760,000
Corp Purpose Bonds	8/10/2016	7/1/2036	2.00-3.00%	8,640,000	7,525,000
Promissory Notes	8/22/2017	9/1/2027	2.25%	985,000	788,000
Corp Purpose Bonds	8/23/2018	8/1/2038	3.00-3.50%	5,275,000	5,075,000
NSFD Note Payables					
Whitefish Bay	9/1/2002	4/1/2022	2.00-3.00%	897,184	177,609
Bayside	8/1/2003	8/1/2023	0.80-2.30%	468,050	112,364
Whitefish Bay	5/1/2019	5/1/2029	1.80-3.50%	116,641	116,641
Total Governmental Activities General Obligation Debt					<u>\$ 38,721,709</u>
<b>Business-type Activities</b>					
Taxable Corp Purp Bonds	5/11/2010	5/1/2025	1.00-5.20%	\$ 143,446	\$ 72,905
Tax-exempt issues					
State Trust Fund Loan	4/22/2004	3/15/2019	3.75%	129,000	-
Corp Purpose Bonds	8/8/2011	8/1/2026	.085-3.90%	2,175,000	1,395,000
Corp Purpose Bonds	8/7/2012	8/1/2032	2.00-3.00%	5,400,000	4,060,000
Corp Purpose Bonds	10/23/2014	4/1/2034	2.00-3.00%	1,990,000	1,585,000
Corp Purpose Bonds	8/10/2016	7/1/2036	2.00-3.00%	1,280,000	1,120,000
Corp Purpose Bonds	8/23/2018	8/1/2038	3.00-3.50%	1,085,000	1,040,000
Total Business-Type Activities General Obligation Debt					<u>\$ 9,272,905</u>
Total General Obligation Debt					<u>\$ 47,994,614</u>
<b>Business-type Activities</b>					
Revenue Bonds	8/10/2016	7/1/2036	2.00-3.00%	2,285,000	\$ 2,095,000
Total Business-Type Activities Revenue Bonds					<u>\$ 2,095,000</u>

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

**F. LONG-TERM OBLIGATIONS (continued)**

**General Obligation Debt (continued)**

Debt service requirements to maturity are as follows:

Year	Governmental Activities		Business-Type Activities	
	G.O. Bonds and Notes Payable	G.O. Bonds and Notes Payable	G.O. Bonds and Notes Payable	G.O. Bonds and Notes Payable
	Principal	Interest	Principal	Interest
2020	3,504,200	1,132,347	575,246	253,520
2021	3,510,166	1,046,614	606,034	237,582
2022	3,526,132	941,242	646,822	220,636
2023	2,489,830	848,670	677,611	203,044
2024	2,342,117	779,390	708,399	184,680
2025 - 2029	12,434,104	2,835,054	3,323,793	639,571
2030 - 2034	8,440,080	1,184,087	2,310,000	237,304
2035 - 2039	2,475,080	172,831	425,000	30,488
Totals	<u>\$ 38,721,709</u>	<u>\$ 8,940,235</u>	<u>\$ 9,272,905</u>	<u>\$ 2,006,825</u>

**Revenue Debt**

Business-Type activities revenue bonds are payable only from revenues pledged when issuing revenue bonds.

The sewer utility has pledged future sewer revenues, net of specified operating expenses, to repay revenue bonds issued in 2016 for sewer infrastructure projects. The current remaining balances on these bonds are approximately \$2.6 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 2019 these payments represented 21.4% of those amounts.

Debt service requirements to maturity are as follows:

Year	Business-Type Activities	
	Revenue Bonds Payable	
	Principal	Interest
2020	100,000	56,163
2021	100,000	56,163
2022	105,000	50,088
2023	110,000	46,863
2024	110,000	43,563
2025 - 2029	595,000	174,531
2030 - 2034	675,000	94,975
2035 - 2039	300,000	9,000
Totals	<u>\$ 2,095,000</u>	<u>\$ 531,346</u>

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

***F. LONG-TERM OBLIGATIONS*** (continued)

***Other Debt Information***

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

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

***G. LEASE DISCLOSURES***

***Lessor - Operating Leases***

In 2010, the Village entered into a lease agreement with a local restaurant owner to lease out the Hubbard Park Lodge. The property is included in the Village's capital assets with a historical cost of \$80,800. 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.

The future minimum rentals for this property are \$40,000 per year with a 3% annual increase from 2020-2029. Actual rental payments will be either the annual minimum payment, or 4% of the prior year's gross revenues for the property, whichever is higher.

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

**H. NET POSITION AND FUND BALANCES**

**Net Position**

Net position reported on the government-wide statement of net position at December 31, 2019 includes the following:

Net Investment in Capital Assets	Governmental Activities	Business-Type Activities
Capital Assets		
Capital assets not being depreciated	\$ 5,015,143	\$ 503,606
Capital assets being depreciated	51,568,410	29,376,967
Accumulated depreciation	<u>(25,714,254)</u>	<u>(5,973,607)</u>
Total Capital Assets	<u>30,869,299</u>	<u>23,906,966</u>
Capital Related Debt		
General Obligation (G.O.) Debt	(38,721,709)	(9,272,905)
Revenue Bond Debt		(2,095,000)
Discounts (Premiums) on Capital related debt	(415,323)	(205,222)
Less Noncapital Related Debt Issuances		
Whitefish Bay note	177,609	-
Bayside note	112,364	-
2010B Taxable G.O. Bonds	852,095	-
2011 G.O. Corp Purpose Bonds (portion)	833,421	-
2012 Community Development Bonds	5,085,000	-
2012 Taxable Community Development Bonds	1,565,000	-
2012 Corp Purpose Bonds (portion)	1,277,097	165,000
2013 Tax Exempt G.O. Refunding Bonds (portion)	1,835,933	-
2014 Corp Purpose Bonds (portion)	1,602,144	-
2015 Community Development Bonds	6,760,000	-
2019 Whitefish Bay Note	<u>116,641</u>	<u>-</u>
Total Capital Related Debt	<u>(18,919,728)</u>	<u>(11,408,127)</u>
Unspent Capital Related Bond Proceeds	359,011	492,146
Deferred loss on refunding	<u>25,237</u>	<u>-</u>
Net Investment in Capital Assets	<u>\$ 12,333,819</u>	<u>\$ 12,990,985</u>

A portion of governmental activities borrowings are considered to be noncapital for the governmental activities column, but are considered to be capital related for the total column in the statement of net position. The amount of this adjustment is \$2,340,971 which represents governmental activities borrowing for capital assets of the business-type activities. The total column of the statement of net position for the net investment in capital assets has been adjusted for this difference.

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

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**H. NET POSITION AND FUND BALANCES (continued)**

**Fund Balances**

Fund balances reported on the governmental fund financial statements as of December 31, 2019 within the restricted, committed, and assigned classifications can be further detailed as follows:

<u>Classification/Fund</u>	<u>Amount</u>	<u>Purpose</u>
<b>Restricted</b>		
Capital Projects Fund	<u>359,011</u>	Unspent Bond proceeds
TID No. 1 Fund	78,093	TID plan purposes
TID No. 3 Fund	184,318	TID plan purposes
TID No. 4 Fund	3,916,932	TID plan purposes
TID No. 5 Fund	<u>2,072,764</u>	TID plan purposes
Nonmajor Funds	<u>4,392</u>	Library grants
Total Restricted	<u>\$ 6,615,510</u>	
<b>Committed</b>		
Debt Service Fund	<u>37,698</u>	Debt service activities
Nonmajor Funds	31,481	Library activities
Nonmajor Funds	40,562	Senior Services activities
Nonmajor Funds	<u>16,961</u>	Shorewood Today magazine
Total Nonmajor Funds	<u>89,004</u>	
Total Committed	<u>\$ 126,702</u>	
<b>Assigned</b>		
General Fund	223,405	Neighborhood loan program
General Fund	35,500	Future retirement costs
General Fund	20,000	Marketing & Communications
General Fund	<u>297,321</u>	Next year budget transfers
Total General Fund	<u>576,226</u>	
Capital Projects Fund	<u>121,951</u>	Future capital projects and equipment
Total Assigned	<u>\$ 698,177</u>	

**NOTE III – DETAILED NOTES ON ALL FUNDS (continued)**

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***I. SPECIAL ITEMS***

Significant transactions that are within the control of management that are either unusual in nature or infrequent in occurrence for the reporting entity are considered to be special items. There were no special items to report in 2019.

***J. COMPONENT UNIT***

***Community Development Authority***

This report contains the Village of Shorewood Community Development Authority (CDA), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

## NOTE IV – OTHER INFORMATION

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### A. EMPLOYEES' RETIREMENT SYSTEM

#### *Summary of Significant Accounting Policies*

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

#### *General Information about the Pension Plan*

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

**NOTE IV – OTHER INFORMATION** (continued)

**A. EMPLOYEES' RETIREMENT SYSTEM** (continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. 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 \$409,635 in contributions from the employer

Contribution rates as of December 31, 2019 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

**NOTE IV – OTHER INFORMATION (continued)**

**A. EMPLOYEES' RETIREMENT SYSTEM (continued)**

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

At December 31, 2019, the Village of Shorewood reported a liability of \$1,400,914 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2018, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village of Shorewood's proportion of the Net Pension Liability (Asset) was based on the Village of Shorewood's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Village of Shorewood's proportion was 0.03937717%, which was an increase of 0.00001346% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village of Shorewood recognized pension expense of \$958,168.

At December 31, 2019, the Village of Shorewood 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 expected and actual experience	\$1,091,101	(\$1,928,675)
Net differences between projected and actual earnings on pension plan investments	\$2,045,943	\$0.00
Changes in assumptions	\$236,143	\$0.00
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$18,064	\$0.00
Employer contributions subsequent to the measurement date	\$405,558	\$0.00
<b>Total</b>	<b>\$3,796,809</b>	<b>(\$1,928,675)</b>

**NOTE IV – OTHER INFORMATION** (continued)**A. EMPLOYEES' RETIREMENT SYSTEM** (continued)

\$405,558 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflow of Resources	Deferred Inflows of Resources
2019	\$1,628,577	(\$693,492)
2020	\$806,661	(\$558,897)
2021	\$788,959	(\$500,317)
2022	\$572,612	(\$175,969)
Thereafter	\$0.00	\$0.00

**Actuarial assumptions.** The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

**NOTE IV – OTHER INFORMATION (continued)**

**A. EMPLOYEES' RETIREMENT SYSTEM (continued)**

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

**Asset Allocation Targets and Expected Returns  
As of December 31, 2018**

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49	8.1	5.5
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

**NOTE IV – OTHER INFORMATION (continued)**

**A. EMPLOYEES' RETIREMENT SYSTEM (continued)**

**Single Discount rate.** A single discount rate of 7.00% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Village of Shorewood's proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the Village of Shorewood's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the Village of Shorewood's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	<b>1% Decrease to Discount Rate (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase to Discount Rate (8.00%)</b>
Village of Shorewood's proportionate share of the Net Pension Liability (Asset)	\$5,567,388	\$1,400,916	(\$1,697,178)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>

**NOTE IV – OTHER INFORMATION (continued)**

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***B. OTHER POSTEMPLOYMENT BENEFITS***

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 the business-type activities liability, as appropriate.

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 and 25% for family plans. Employees hired after October 31, 2012 are not eligible for employer contributions towards post-retirement 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.

Membership

At December 31, 2019, membership consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	24
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Active Employees	<u>65</u>
TOTAL	<u>89</u>

**NOTE IV – OTHER INFORMATION (continued)**

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***B. OTHER POSTEMPLOYMENT BENEFITS (continued)***

Total OPEB Liability

The Village's total OPEB liability of \$3,297,828 was measured as of December 31, 2019 determined by an actuarial valuation as of December 31, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry-age
Actuarial Value of Assets	N/A
Inflation	2.50%
Salary Increases	N/A
Discount Rate	2.75%
Healthcare Cost Trend Rates	7.50% Initial 5.00% Ultimate
Retirees Share of Benefit-Related Costs	100% Regular Plan

The discount rate was based on the Bond Buyer GO 20-Year AA Bond Index published by the Federal Reserve for the week at the beginning of the measurement period.

Mortality rates were based on the Wisconsin 2018 Mortality Table.

The actuarial assumptions used are based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-17.

**NOTE IV – OTHER INFORMATION (continued)**

**B. OTHER POSTEMPLOYMENT BENEFITS (continued)**

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2019	<u>\$3,236,177</u>
Changes for the Period	
Service Cost	104,635
Interest	125,384
Difference Between Expected and Actual Experience	(253,497)
Changes in Benefit Terms	-
Changes in Assumptions	392,926
Benefit Payments	<u>(307,797)</u>
Net Changes	<u>61,651</u>
BALANCES AT DECEMBER 31, 2019	<u><u>\$3,297,828</u></u>

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 2.75% as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current rate:

	<u>1% Decrease (1.75%)</u>	<u>Current Discount Rate (2.75%)</u>	<u>1% Increase (3.75%)</u>
Total OPEB Liability	\$3,531,911	\$3,297,828	\$3,079,178

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 5.00% to 7.50% 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 (4.00% to 6.50%) or 1 percentage point higher (6.00% to 8.50%) than the current rate:

	<u>1% Decrease (6.5% to 4.0%)</u>	<u>Current Healthcare Rate (5.0% to 7.5%)</u>	<u>1% Increase (6.0% to 8.5%)</u>
Total OPEB Liability	\$3,032,472	\$3,297,828	\$3,606,814

**NOTE IV – OTHER INFORMATION (continued)**

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**B. OTHER POSTEMPLOYMENT BENEFITS (continued)**

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2019, the Village of Shorewood reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$-	(\$221,810)
Changes in assumptions	\$343,809	(\$76,305)
<b>Total</b>	<b>\$343,809</b>	<b>(\$298,115)</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in expense as follows:

Year ended December 31:	Deferred Outflows/ Inflows of Resources
2020	\$2,168
2021	\$2,168
2022	\$2,168
2023	\$2,168
2024	\$2,168
Thereafter	\$34,854

**NOTE IV – OTHER INFORMATION (continued)**

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**C. 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.

During 2011, the NSPSCC signed a ten-year agreement with the Village of Bayside which specifies that Bayside will provide dispatching services for the NSPSCC during the term of the agreement. 2012 was the first year that service was provided under this agreement. For 2019, the Village's financial responsibility towards this service was \$366,749. 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 2019, the Village's financial responsibility towards this service was \$2,271,062. 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 dating back to 2002. For 2019, the Village's financial responsibility towards these payments was \$92,575 and will continue at similar rates through 2022, at which time those obligations will be satisfied.

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

## **NOTE IV - OTHER INFORMATION** (continued)

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### **C. JOINT VENTURES** (continued)

#### ***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 \$132,416 to NSHD for 2019 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.

### **D. 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.

### **E. 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.

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.

The Village entered into a developer agreement in 2012 which calls for a grant totaling \$8.65 million. This agreement calls for the developer to construct an 84 unit apartment building with 18,700 square feet in retail space and approximately 320 parking spaces, within a parking garage and in underground parking. Approximately \$122,000 of this grant remains in escrow reserve as of December 31, 2019. The funding for the loan and grant was provided in 2012 through debt issuances and any amounts not yet disbursed are shown as restricted cash within TID No. 4.

## NOTE IV - OTHER INFORMATION (continued)

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### ***F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS***

The Governmental Accounting Standards Board (GASB) has approved the following new accounting pronouncements:

- **Statement No. 87, *Leases***, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset and aims to enhance comparability of financial statements among governments. This statement also requires additional notes to the financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this statement are effective for the fiscal year ending December 31, 2021. Earlier application is encouraged.
- **Statement No. 91, *Conduit Debt Obligations***, which intends to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for the fiscal year ending December 31, 2021.
- **Statement No. 92, *Omnibus 2020***, addresses a variety of topics including: The effective date of Statement No. 87 for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73 to Certain Provisions of GASB Statement Nos. 67 and 68, as amended, and No. 74, as amended, to reporting assets accumulated for postemployment benefits; the applicability of certain requirements of Statement No. 84, to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments. The requirements of this Statement are effective for the fiscal year ending December 31, 2021, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

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### ***G. SUBSEQUENT EVENT***

On March 16, 2020 the Village authorized the issuance of the \$3,590,000 General Obligation Refunding Bonds Series 2020A that will be used to refund \$3,500,000 of the 2011A General Obligation Bonds on June 1, 2020. The Village also authorized the issuance of \$835,000 Taxable General Obligation Refunding Bonds Series 2020B that will be used to refund \$795,000 of the 2010B General Obligation Bonds on June 1, 2020.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

**VILLAGE OF SHOREWOOD**

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

For the Year Ended December 31, 2019

(continued)

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 8,269,260	\$ 8,269,259	\$ (1)
Intergovernmental	1,328,436	1,381,137	52,701
Licenses and permits	459,950	490,860	30,910
Fines	638,000	592,697	(45,303)
Charges for services	360,310	437,860	77,550
Investment income	193,900	449,395	255,495
Other revenues	111,000	209,009	98,009
TOTAL REVENUES	<u>11,360,856</u>	<u>11,830,217</u>	<u>469,361</u>
<b>EXPENDITURES</b>			
General Government			
Board	34,335	35,156	(821)
Court	84,525	84,059	466
Manager	344,575	343,507	1,068
Clerk	302,618	295,135	7,483
Finance	216,046	218,367	(2,321)
Other general administration	286,722	285,688	1,034
Total General Government	<u>1,268,821</u>	<u>1,261,912</u>	<u>6,909</u>
Public Safety			
Police department	3,863,514	3,727,547	135,967
Planning and building inspection	391,650	354,175	37,475
Fire and other public safety	3,190,365	3,164,586	25,779
Total Public Safety	<u>7,445,529</u>	<u>7,246,308</u>	<u>199,221</u>
Public Works			
Public Works			
Public works administration	434,150	466,705	(32,555)
Building maintenance	214,092	202,268	11,824
Municipal garage	358,260	342,886	15,374
Street and alley	199,305	183,682	15,623
Street lighting	197,930	193,695	4,235
Winter maintenance	140,046	159,567	(19,521)
Refuse disposal	632,292	642,899	(10,607)
Yard waste/leaf collection	138,773	192,010	(53,237)
Total Public Works	<u>2,314,848</u>	<u>2,383,712</u>	<u>(68,864)</u>

(This statement is continued on the following page.)

**VILLAGE OF SHOREWOOD**

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

For the Year Ended December 31, 2019

(concluded)

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>EXPENDITURES (continued)</b>			
Health Department	\$ 132,416	\$ 132,416	\$ -
Culture and Recreation			
Parks and beautification	199,851	206,610	(6,759)
Total Culture and Recreation	<u>199,851</u>	<u>206,610</u>	<u>(6,759)</u>
Conservation and Development			
Forestry	192,891	232,435	(39,544)
Total Conservation and Development	<u>192,891</u>	<u>232,435</u>	<u>(39,544)</u>
TOTAL EXPENDITURES	<u>11,554,356</u>	<u>11,463,393</u>	<u>90,963</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(193,500)</u>	<u>366,824</u>	<u>560,324</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	193,500	215,748	22,248
Transfers out	-	(253,912)	(253,912)
TOTAL OTHER FINANCING SOURCES (USES)	<u>193,500</u>	<u>(38,164)</u>	<u>(231,664)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 328,660</u>	<u>\$ 328,660</u>
FUND BALANCES - BEGINNING OF YEAR		<u>6,018,202</u>	
<b>FUND BALANCES - END OF YEAR</b>		<u>\$ 6,346,862</u>	

See accompanying notes to financial statements.

**VILLAGE OF SHOREWOOD**

**REQUIRED SUPPLEMENTARY INFORMATION  
WISCONSIN RETIREMENT SYSTEM**

**PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
Last 10 Fiscal Years\*

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Village of Shorewood's proportion of the net pension liability (asset)	0.04097664%	0.04050692%	0.03966671%	0.03936371%	0.03937717%
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
Village of Shorewood's covered payroll	\$4,792,475	\$4,848,954	\$4,763,410	\$4,732,568	\$4,885,910
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%	102.93%	96.45%

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

\*\*The amounts presented are intended to show information for 10 years, additional years of information will be displayed as it becomes available.

**SCHEDULE OF VILLAGE OF SHOREWOOD CONTRIBUTIONS**  
Last 10 Fiscal Years\*

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Contractually required contributions	\$397,114	\$384,052	\$369,128	\$400,172	\$409,635
Contributions in relation to the contractually required contributions	(\$397,114)	(\$384,052)	(\$369,128)	(\$400,172)	(\$409,635)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Village of Shorewood's covered payroll	\$4,792,475	\$4,848,954	\$4,763,410	\$4,732,568	\$4,885,910
Contributions as a percentage of covered payroll	8.29%	7.92%	7.75%	8.46%	8.38%

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

\*\*The amounts presented are intended to show information for 10 years, additional years of information will be displayed as it becomes available.

(See independent auditor's report.)

**VILLAGE OF SHOREWOOD**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS

OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Three Fiscal Year

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>TOTAL OPEB LIABILITY</b>			
Service Cost	\$ 114,721	\$ 114,721	\$ 104,635
Interest	116,504	115,739	125,384
Differences Between Expected and Actual Experience	-	-	(253,497)
Changes of Benefit Terms	-	-	-
Changes of Assumptions	-	(106,826)	392,926
Benefit Payments	<u>(232,181)</u>	<u>(273,839)</u>	<u>(307,797)</u>
Net Change in Total OPEB Liability	(956)	(150,205)	61,651
Total OPEB Liability - Beginning	<u>3,387,338</u>	<u>3,386,382</u>	<u>3,236,177</u>
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b><u>\$ 3,386,382</u></b>	<b><u>\$ 3,236,177</u></b>	<b><u>\$ 3,297,828</u></b>
Covered Payroll	\$ 2,982,357	\$ 2,982,357	\$ 4,746,505
Employer's Total OPEB Liability as a Percentage of Covered Payroll	113.55%	108.51%	69.48%

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

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**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
As of and For the Year Ended December 31, 2019

**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 1, 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 excess of expenditures over appropriations were financed with current year revenue sources and available fund balances.

Fund	Department / Division	Final Budget	Expenditures	Excess
General Fund	Board	\$ 34,335	\$ 35,156	\$ 821
	Finance	216,046	218,367	2,321
	Public works administration	434,150	466,705	32,555
	Winter Maintenance	140,046	159,567	19,521
	Refuse disposal	632,292	642,899	10,607
	Yard waste/leaf collection	138,773	192,010	53,237
	Parks and Beautification	199,851	206,610	6,759
	Forestry	192,891	232,435	39,544
Other Funds	Library	1,045,740	1,049,054	3,314
	Debt Service	5,028,490	6,224,482	1,195,992
	TID 1	4,132	8,584	4,452

SUPPLEMENTARY  
INFORMATION

**VILLAGE OF SHOREWOOD**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
As of December 31, 2019

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Library	Senior Services	Shorewood Today	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 547,336	\$ 81,049	\$ 16,117	\$ 644,502
Taxes receivable	441,079	53,783	969	495,831
Accounts receivable	-	23,903	1,875	25,778
Restricted assets - cash and cash equivalents	4,392	-	-	4,392
 TOTAL ASSETS	 \$ 992,807	 \$ 158,735	 \$ 18,961	 \$ 1,170,503
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 16,915	\$ 3,838	\$ -	\$ 20,753
Accrued liabilities	29,911	3,360	-	33,271
Total Liabilities	46,826	7,198	-	54,024
Deferred Inflows of Resources				
Taxes levied for subsequent year's budget	910,108	110,975	2,000	1,023,083
Total Deferred Inflows of Resources	910,108	110,975	2,000	1,023,083
Fund Balances				
Restricted	4,392	-	-	4,392
Committed	31,481	40,562	16,961	89,004
Total Fund Balances	35,873	40,562	16,961	93,396
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 \$ 992,807	 \$ 158,735	 \$ 18,961	 \$ 1,170,503

(See independent auditor's report.)

**VILLAGE OF SHOREWOOD**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2019

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Library	Senior Services	Shorewood Today	
<b>REVENUES</b>				
Taxes	\$ 905,085	\$ 107,490	\$ 2,000	\$ 1,014,575
Intergovernmental	74,501	-	-	74,501
Charges for services	48,154	26,871	85,530	160,555
Other revenues	28,215	44,490	-	72,705
<b>Total Revenues</b>	<b>1,055,955</b>	<b>178,851</b>	<b>87,530</b>	<b>1,322,336</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	88,857	88,857
Public safety	-	-	-	-
Health and social services	-	177,903	-	177,903
Culture and recreation	1,049,054	-	-	1,049,054
<b>Total Expenditures</b>	<b>1,049,054</b>	<b>177,903</b>	<b>88,857</b>	<b>1,315,814</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,901	948	(1,327)	6,522
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(8,224)	-	-	(8,224)
<b>Total Other Financing Sources (Uses)</b>	<b>(8,224)</b>	<b>-</b>	<b>-</b>	<b>(8,224)</b>
<b>Net Change in Fund Balance</b>	<b>(1,323)</b>	<b>948</b>	<b>(1,327)</b>	<b>(1,702)</b>
FUND BALANCES (DEFICIT) - Beginning of Year	37,196	39,614	18,288	95,098
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<b>\$ 35,873</b>	<b>\$ 40,562</b>	<b>\$ 16,961</b>	<b>\$ 93,396</b>

(See independent auditor's report.)

VILLAGE OF SHOREWOOD

SPECIAL REVENUE FUNDS  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2019

(continued)

	Library			Senior Services		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>						
Taxes	\$ 905,085	\$ 905,085	\$ -	\$ 107,490	\$ 107,490	\$ -
Intergovernmental	74,155	74,501	346	-	-	-
Charges for services	54,500	48,154	(6,346)	30,000	26,871	(3,129)
Investment income	-	-	-	-	-	-
Other revenues	12,000	28,215	16,215	58,817	44,490	(14,327)
Total Revenues	<u>1,045,740</u>	<u>1,055,955</u>	<u>10,215</u>	<u>196,307</u>	<u>178,851</u>	<u>(17,456)</u>
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and social services	-	-	-	196,307	177,903	18,404
Culture and recreation	1,045,740	1,049,054	(3,314)	-	-	-
Conservation and development	-	-	-	-	-	-
Total Expenditures	<u>1,045,740</u>	<u>1,049,054</u>	<u>(3,314)</u>	<u>196,307</u>	<u>177,903</u>	<u>18,404</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>6,901</u>	<u>6,901</u>	<u>-</u>	<u>948</u>	<u>948</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	(8,224)	(8,224)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(8,224)</u>	<u>(8,224)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>(1,323)</u>	<u>\$ (1,323)</u>	<u>\$ -</u>	<u>948</u>	<u>\$ 948</u>
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR		<u>37,196</u>			<u>39,614</u>	
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>		<u>\$ 35,873</u>			<u>\$ 40,562</u>	

(See independent auditor's report.)

VILLAGE OF SHOREWOOD

SPECIAL REVENUE FUNDS  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2019

(concluded)

	Shorewood Today		
	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 2,000	\$ 2,000	\$ -
Intergovernmental	-	-	-
Charges for services	85,025	85,530	505
Other revenues	-	-	-
Total Revenues	<u>87,025</u>	<u>87,530</u>	<u>505</u>
<b>EXPENDITURES</b>			
Current			
General government	89,500	88,857	643
Public safety	-	-	-
Health and social services	-	-	-
Culture and recreation	-	-	-
Conservation and development	-	-	-
Total Expenditures	<u>89,500</u>	<u>88,857</u>	<u>643</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,475)</u>	<u>(1,327)</u>	<u>1,148</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (2,475)</u>	<u>(1,327)</u>	<u>\$ 1,148</u>
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR		<u>18,288</u>	
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>		<u>\$ 16,961</u>	

(See independent auditor's report.)

**VILLAGE OF SHOREWOOD**

DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 1,833,085	\$ 1,833,085	\$ -
Total Revenues	1,833,085	1,833,085	-
<b>EXPENDITURES</b>			
Debt Service			
Principal retirement	3,748,138	4,973,137	(1,224,999)
Interest and fiscal charges	1,280,352	1,251,345	29,007
Total Expenditures	5,028,490	6,224,482	(1,195,992)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,195,405)	(4,391,397)	(1,195,992)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,195,405	4,341,795	1,146,390
Total Other Financing Sources (Uses)	3,195,405	4,341,795	1,146,390
<b>Net Change in Fund Balance</b>	\$ -	(49,602)	\$ (49,602)
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR		87,300	
<b>FUND BALANCE - END OF YEAR</b>		\$ 37,698	

(See independent auditor's report.)

**VILLAGE OF SHOREWOOD**

CAPITAL PROJECTS FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2019

(continued)

	General Capital Projects		
	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 368,820	\$ 368,820	\$ -
Intergovernmental	209,000	308,942	99,942
Charges for services	175,000	203,213	28,213
Other Income	-	-	-
<b>Total Revenues</b>	<u>752,820</u>	<u>880,975</u>	<u>128,155</u>
<b>EXPENDITURES</b>			
Current			
Capital Outlay	2,104,113	2,079,224	24,889
Debt Service			
Bond issuance costs	-	-	-
<b>Total Expenditures</b>	<u>2,104,113</u>	<u>2,079,224</u>	<u>24,889</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,351,293)</u>	<u>(1,198,249)</u>	<u>153,044</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from the sale of capital assets	32,500	24,058	(8,442)
General obligation debt issued	-	-	-
Premium on bonds issued	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>32,500</u>	<u>24,058</u>	<u>(8,442)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,318,793)</u>	<u>(1,174,191)</u>	<u>\$ 144,602</u>
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR		<u>1,655,153</u>	
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>		<u>\$ 480,962</u>	

(See independent auditor's report.)

VILLAGE OF SHOREWOOD

CAPITAL PROJECTS FUNDS  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2019

(continued)

	TID No. 1			TID No. 3		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>						
Taxes	\$ 1,942,000	\$ 1,935,451	\$ (6,549)	\$ 789,000	\$ 762,216	\$ (26,784)
Intergovernmental	15,000	24,720	9,720	1,500	1,319	(181)
Investment income	10,000	17,238	7,238	2,000	6,852	4,852
Other revenues	-	-	-	50,000	50,000	-
Total Revenues	<u>1,967,000</u>	<u>1,977,409</u>	<u>10,409</u>	<u>842,500</u>	<u>820,387</u>	<u>(22,113)</u>
<b>EXPENDITURES</b>						
Current						
Conservation and development	<u>4,132</u>	<u>8,584</u>	<u>(4,452)</u>	<u>123,415</u>	<u>117,523</u>	<u>5,892</u>
Total Expenditures	<u>4,132</u>	<u>8,584</u>	<u>(4,452)</u>	<u>123,415</u>	<u>117,523</u>	<u>5,892</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,962,868</u>	<u>1,968,825</u>	<u>5,957</u>	<u>719,085</u>	<u>702,864</u>	<u>(16,221)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	<u>(1,578,855)</u>	<u>(2,775,247)</u>	<u>(1,196,392)</u>	<u>(390,095)</u>	<u>(390,095)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,578,855)</u>	<u>(2,775,247)</u>	<u>(1,196,392)</u>	<u>(390,095)</u>	<u>(390,095)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 384,013</u>	<u>(806,422)</u>	<u>\$(1,190,435)</u>	<u>\$ 328,990</u>	<u>312,769</u>	<u>\$ (16,221)</u>
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR		<u>884,515</u>			<u>(128,451)</u>	
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>		<u>\$ 78,093</u>			<u>\$ 184,318</u>	

(See independent auditor's report.)

VILLAGE OF SHOREWOOD

CAPITAL PROJECTS FUNDS  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2019

(concluded)

	TID No. 4			TID No. 5		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>						
Taxes	\$ 535,000	533,589	\$ (1,411)	\$ 1,301,000	\$ 1,297,059	\$ (3,941)
Intergovernmental	-	255	255	-	2,459	2,459
Investment income	105,412	122,774	17,362	15,000	53,605	38,605
Other revenues	-	-	-	-	-	-
Total Revenues	<u>640,412</u>	<u>656,618</u>	<u>16,206</u>	<u>1,316,000</u>	<u>1,353,123</u>	<u>37,123</u>
<b>EXPENDITURES</b>						
Current						
Conservation and development	<u>27,082</u>	<u>2,220</u>	<u>24,862</u>	<u>37,082</u>	<u>2,220</u>	<u>34,862</u>
Total Expenditures	<u>27,082</u>	<u>2,220</u>	<u>24,862</u>	<u>37,082</u>	<u>2,220</u>	<u>34,862</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>613,330</u>	<u>654,398</u>	<u>41,068</u>	<u>1,278,918</u>	<u>1,350,903</u>	<u>71,985</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	<u>(502,645)</u>	<u>(502,644)</u>	<u>1</u>	<u>(419,898)</u>	<u>(419,897)</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>(502,645)</u>	<u>(502,644)</u>	<u>1</u>	<u>(419,898)</u>	<u>(419,897)</u>	<u>1</u>
<b>Net Change in Fund Balance</b>	<u>\$ 110,685</u>	<u>151,754</u>	<u>\$ 41,069</u>	<u>\$ 859,020</u>	<u>931,006</u>	<u>\$ 71,986</u>
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR		<u>3,765,178</u>			<u>1,141,758</u>	
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>		<u>\$ 3,916,932</u>			<u>\$ 2,072,764</u>	

(See independent auditor's report.)

STATISTICAL

SECTION

# VILLAGE OF SHOREWOOD

## STATISTICAL SECTION

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This part of the Village of Shorewood's comprehensive annual financial report presents detailed information as a framework for understanding what the information in the financial statements note disclosures, and required supplementary information says about the overall financial well-being of the Village.

<b>Contents</b>	<b><u>Pages</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	96-103
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	104-108
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue new debt in the future.	109-111
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	112-114
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	115-117

*Sources: Unless otherwise noted, the information in these schedules is obtained from the comprehensive annual financial reports for the given year.*

VILLAGE OF SHOREWOOD

NET POSITION BY COMPONENT  
Last Ten Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Net investment in										
capital assets	\$ 11,803,216	\$ 13,053,906	\$ 13,704,213	\$ 9,865,669	\$ 10,437,085	\$ 12,984,428	\$ 12,756,515	\$ 13,391,262	\$ 12,448,913	\$ 12,333,819
Restricted	282,499	53,585	74,174	3,739,908	74,263	1,898,339	6,468,419	4,646,643	6,733,914	7,129,163
Unrestricted	<u>(2,792,958)</u>	<u>(6,318,265)</u>	<u>(7,115,016)</u>	<u>(8,209,666)</u>	<u>(10,297,407)</u>	<u>(17,859,982)</u>	<u>(23,448,513)</u>	<u>(23,682,357)</u>	<u>(21,079,052)</u>	<u>(17,933,286)</u>
Total	<u>9,292,757</u>	<u>6,789,226</u>	<u>6,663,371</u>	<u>5,395,911</u>	<u>213,941</u>	<u>(2,977,215)</u>	<u>(4,223,579)</u>	<u>(5,644,452)</u>	<u>(1,896,225)</u>	<u>1,529,696</u>
<b>Business-Type Activities</b>										
Net investment in										
capital assets	5,488,785	7,843,415	8,271,762	8,661,975	10,832,813	11,343,978	11,473,611	12,400,425	12,615,165	12,990,982
Restricted	-	-	-	-	-	155,945	105,800	-	89,244	-
Unrestricted	<u>(686,652)</u>	<u>(439,907)</u>	<u>(951,552)</u>	<u>(877,131)</u>	<u>(927,021)</u>	<u>(291,278)</u>	<u>334,335</u>	<u>8,971</u>	<u>628,449</u>	<u>590,060</u>
Total	<u>4,802,133</u>	<u>7,403,508</u>	<u>7,320,210</u>	<u>7,784,844</u>	<u>9,905,792</u>	<u>11,208,645</u>	<u>11,913,746</u>	<u>12,409,396</u>	<u>13,332,858</u>	<u>13,581,042</u>
<b>Primary Government</b>										
Net investment in										
capital assets	17,292,001	20,897,321	20,207,996	16,859,756	17,989,483	21,162,204	21,295,293	25,791,687	22,511,854	22,983,830
Restricted	282,499	53,585	74,174	3,739,908	74,263	2,054,284	6,574,219	4,646,643	7,400,925	7,129,163
Unrestricted	<u>(3,479,610)</u>	<u>(6,758,172)</u>	<u>(6,298,589)</u>	<u>(7,418,909)</u>	<u>(7,944,013)</u>	<u>(14,985,058)</u>	<u>(20,179,345)</u>	<u>(23,673,386)</u>	<u>(19,086,263)</u>	<u>(15,002,255)</u>
Total	<u>\$ 14,094,890</u>	<u>\$ 14,192,734</u>	<u>\$ 13,983,581</u>	<u>\$ 13,180,755</u>	<u>\$ 10,119,733</u>	<u>\$ 8,231,430</u>	<u>\$ 7,690,167</u>	<u>\$ 6,764,944</u>	<u>\$ 10,826,516</u>	<u>\$ 15,110,738</u>

A portion of governmental activities borrowings are considered to be noncapital for the governmental activities net investment in capital assets, but are considered to be capital related for the primary government as a whole. This adjustment for 2019 is \$2,340,971, 2018 was \$2,552,224, 2017 was \$2,745,656, 2016 was \$2,934,883, 2015 was \$3,166,202, 2014 was \$3,280,415, 2013 was \$1,667,888, and 2012 was \$1,767,979 which represents the remaining principal balances on these borrowings.

VILLAGE OF SHOREWOOD

CHANGES IN NET POSITION  
Last Ten Years

(continued)

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Expenses</b>					
Governmental Activities:					
General government	\$ 1,207,164	\$ 1,176,140	\$ 1,305,008	\$ 1,210,825	\$ 1,540,429
Public safety	6,090,227	6,855,057	6,988,644	7,039,505	7,032,842
Public works	5,489,734	4,146,710	3,422,047	4,134,351	4,122,520
Health and social services	367,852	363,298	299,287	300,698	303,352
Culture and recreation	1,346,194	1,712,091	1,283,662	1,345,701	1,486,916
Conservation and development	2,528,039	2,285,189	1,110,846	2,250,391	3,157,765
Interest and fiscal charges	848,052	884,021	1,367,838	1,078,014	1,037,714
Total Government Activities Expenses	<u>17,877,262</u>	<u>17,422,506</u>	<u>15,777,332</u>	<u>17,359,485</u>	<u>18,681,538</u>
Business-Type Activities:					
Parking	171,855	214,358	184,432	174,076	164,586
Water Utility	1,179,876	1,287,836	1,390,015	1,330,211	1,599,591
Sewer Utility	1,309,817	1,675,352	1,624,196	1,547,718	1,569,920
Total Business-Type Activities Expenses	<u>2,661,548</u>	<u>3,177,546</u>	<u>3,198,643</u>	<u>3,052,005</u>	<u>3,334,097</u>
Total Primary Government Expenses	<u>20,538,810</u>	<u>20,600,052</u>	<u>18,975,975</u>	<u>20,411,490</u>	<u>22,015,635</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for services	1,169,641	1,271,890	1,319,962	1,459,202	1,549,691
Operating grants and contributions	996,816	1,089,423	1,025,336	1,030,409	1,122,171
Capital grants and contributions	518,409	1,035,176	200,913	484,729	506,550
Total Governmental Activities Program Revenues	<u>2,684,866</u>	<u>3,396,489</u>	<u>2,546,211</u>	<u>2,974,340</u>	<u>3,178,412</u>
Business-Type Activities:					
Charges for services	2,377,259	2,900,918	3,286,396	3,627,146	3,708,421
Capital grants and contributions	11,886	1,580,988	275,000	-	-
Total Business-Type Activities Program Revenues	<u>2,389,145</u>	<u>4,481,906</u>	<u>3,561,396</u>	<u>3,627,146</u>	<u>3,708,421</u>
Total Primary Government Program Revenues	<u>5,074,011</u>	<u>7,878,395</u>	<u>6,107,607</u>	<u>6,601,486</u>	<u>6,886,833</u>

VILLAGE OF SHOREWOOD

CHANGES IN NET POSITION  
Last Ten Years

(continued)

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$ (14,026,017)	\$ (13,231,121)	\$ (14,385,145)	\$ (14,385,145)	\$ (19,255,943)
Business-Type Activities	1,304,360	362,753	575,141	575,141	806,887
Total Primary Government Net Expenses	<u>(12,721,657)</u>	<u>(12,868,368)</u>	<u>(13,810,004)</u>	<u>(13,810,004)</u>	<u>(18,449,056)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Property taxes	11,074,984	11,526,622	12,122,900	12,061,130	10,956,764
Intergovernmental revenues not restricted to specific programs	669,473	662,114	590,495	495,365	700,965
Investment income	205,858	160,354	246,596	225,305	212,176
Miscellaneous	327,509	299,913	173,987	189,940	182,287
Transfers	(11,298)	(1,126,517)	159,760	145,945	(1,731,036)
Total Governmental Activities	<u>12,266,526</u>	<u>11,522,486</u>	<u>13,293,738</u>	<u>13,117,685</u>	<u>10,321,156</u>
Business-Type Activities:					
Intergovernmental revenues not restricted to specific programs	-	158,800	53,994	30,225	-
Investment income	8,954	11,698	12,227	5,213	15,588
Special item	-	-	(300,000)	-	-
Transfers	11,298	1,126,517	(159,760)	(145,945)	1,731,036
Total Business-Type Activities	<u>20,252</u>	<u>1,297,015</u>	<u>(393,539)</u>	<u>(110,507)</u>	<u>1,746,624</u>
Total Primary Government	<u>12,286,778</u>	<u>12,819,501</u>	<u>12,900,199</u>	<u>13,007,178</u>	<u>12,067,780</u>
<b>Change in Net Position</b>					
Governmental Activities	(1,759,491)	(1,708,635)	(1,091,407)	(1,267,460)	(8,934,787)
Business-Type Activities	1,324,612	1,659,768	181,602	464,634	2,553,511
Total Primary Government	<u>\$ (434,879)</u>	<u>\$ (48,867)</u>	<u>\$ (909,805)</u>	<u>\$ (802,826)</u>	<u>\$ (6,381,276)</u>

(1) Past year's revenues and expenses have not been adjusted for restatements or reclassifications made in future years.

Total property taxes decreased in 2014 due to the suppression of TID No. 1 equalized value as part of the State of Wisconsin's ongoing correction process relating to the 2011 assessment reporting error of the TID No. 1 assessed values. In 2012 and 2013 the Village took special mitigating action to offset the impact of these adjustments, but these measures were not available in 2014.

VILLAGE OF SHOREWOOD

CHANGES IN NET POSITION  
Last Ten Years

(continued)

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Expenses</b>					
Governmental Activities:					
General government	\$ 1,399,764	\$ 1,611,764	\$ 1,585,415	\$ 1,585,415	\$ 1,593,432
Public safety	7,301,364	7,667,815	8,199,914	8,199,914	7,984,911
Public works	4,371,002	4,183,787	4,374,017	4,374,017	4,560,933
Health and social services	308,447	312,138	344,223	344,223	319,740
Culture and recreation	1,612,283	1,578,342	1,721,925	1,721,925	1,548,357
Conservation and development	6,125,523	3,237,457	812,343	812,343	381,562
Interest and fiscal charges	1,225,924	1,311,193	1,229,811	1,229,811	1,166,509
Total Government Activities Expenses	<u>22,344,307</u>	<u>19,902,496</u>	<u>18,267,648</u>	<u>18,267,648</u>	<u>17,555,444</u>
Business-Type Activities:					
Parking	199,908	218,774	219,571	219,571	150,287
Water Utility	1,603,882	1,524,528	1,565,458	1,565,458	1,579,499
Sewer Utility	1,589,821	1,725,130	1,764,716	1,764,716	2,130,322
Total Business-Type Activities Expenses	<u>3,393,611</u>	<u>3,468,432</u>	<u>3,549,745</u>	<u>3,549,745</u>	<u>3,860,108</u>
Total Primary Government Expenses	<u>25,737,918</u>	<u>23,370,928</u>	<u>21,817,393</u>	<u>21,817,393</u>	<u>21,415,552</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for services	1,465,825	1,553,588	1,644,030	1,644,030	1,816,934
Operating grants and contributions	1,151,164	1,093,729	1,002,938	1,002,938	1,007,746
Capital grants and contributions	471,375	610,015	662,533	662,533	418,196
Total Governmental Activities Program Revenues	<u>3,088,364</u>	<u>3,257,332</u>	<u>3,309,501</u>	<u>3,309,501</u>	<u>3,242,876</u>
Business-Type Activities:					
Charges for services	4,200,498	4,287,202	4,517,496	4,517,496	4,269,757
Capital grants and contributions	-	-	-	-	-
Total Business-Type Activities Program Revenues	<u>4,200,498</u>	<u>4,287,202</u>	<u>4,517,496</u>	<u>4,517,496</u>	<u>4,269,757</u>
Total Primary Government Program Revenues	<u>7,288,862</u>	<u>7,544,534</u>	<u>7,826,997</u>	<u>7,826,997</u>	<u>7,512,633</u>

VILLAGE OF SHOREWOOD

CHANGES IN NET POSITION  
Last Ten Years

(concluded)

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$ (16,645,164)	\$ (14,958,147)	\$ (14,958,147)	\$ (14,958,147)	\$ (14,312,568)
Business-Type Activities	818,770	967,751	967,751	967,751	409,649
Total Primary Government Net Expenses	<u>(15,826,394)</u>	<u>(13,990,396)</u>	<u>(13,990,396)</u>	<u>(13,990,396)</u>	<u>(13,902,919)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Property taxes	12,708,645	13,413,950	14,876,565	14,876,565	16,014,057
Intergovernmental revenues not restricted to specific programs	573,762	569,611	570,246	570,246	570,603
Investment income	297,035	275,045	230,548	230,548	663,244
Miscellaneous	176,983	307,437	291,538	291,538	283,061
Transfers	168,345	175,091	191,920	191,920	207,524
Total Governmental Activities	<u>13,924,770</u>	<u>14,741,134</u>	<u>16,160,817</u>	<u>16,160,817</u>	<u>17,738,489</u>
Business-Type Activities:					
Intergovernmental revenues not restricted to specific programs	-	-	-	-	-
Investment income	21,936	24,478	26,852	26,852	46,059
Special item	-	-	-	-	-
Transfers	(168,345)	(175,091)	(191,920)	(191,920)	(207,524)
Total Business-Type Activities	<u>(146,409)</u>	<u>(150,613)</u>	<u>(165,068)</u>	<u>(165,068)</u>	<u>(161,465)</u>
Total Primary Government	<u>13,778,361</u>	<u>14,590,521</u>	<u>15,995,749</u>	<u>15,995,749</u>	<u>17,577,024</u>
<b>Change in Net Position</b>					
Governmental Activities	(2,720,394)	(217,013)	1,202,670	1,202,670	3,425,921
Business-Type Activities	672,361	817,138	802,683	802,683	248,184
Total Primary Government	<u>\$ (2,048,033)</u>	<u>\$ 600,125</u>	<u>\$ 2,005,353</u>	<u>\$ 2,005,353</u>	<u>\$ 3,674,105</u>

(1) Past year's revenues and expenses have not been adjusted for restatements or reclassifications made in future years.

VILLAGE OF SHOREWOOD

FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 1,340,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,643,558	-	-	-	-	-	-	-	-	-
Nonspendable	-	1,193,705	889,565	1,650,448	1,802,801	1,570,536	1,473,157	1,110,023	955,335	865,417
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	124,410	118,264	115,768	10,846	-	-	-	-	-
Assigned	-	441,399	444,898	372,554	199,907	399,282	418,826	573,544	536,975	576,226
Unassigned	-	3,745,364	3,002,031	3,967,631	4,267,073	4,310,950	4,527,892	4,626,132	4,525,892	4,905,219
Total General Fund	<u>4,983,796</u>	<u>5,504,878</u>	<u>4,454,758</u>	<u>6,106,401</u>	<u>6,280,627</u>	<u>6,280,768</u>	<u>6,419,875</u>	<u>6,309,699</u>	<u>6,018,202</u>	<u>6,346,862</u>
All Other Governmental Funds										
Reserved	1,715,451	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	616,708	-	-	-	-	-	-	-	-	-
Capital projects funds	2,946,343	-	-	-	-	-	-	-	-	-
Non-spendable	-	25,064	1,660	3,896,674	29,657	33,000	9,434	-	-	-
Restricted	-	2,964,160	13,477,045	8,610,058	5,473,327	6,564,952	5,442,228	4,908,456	7,026,914	6,615,510
Committed	-	10,201	12,551	30,527	117,643	117,053	392,723	234,560	172,675	126,702
Assigned	-	456,486	417,810	692,566	654,489	437,028	699,265	119,431	429,413	121,951
Unassigned (deficit)	-	(495,902)	(163,238)	(232,831)	(700,565)	-	(115,486)	(314,724)	(128,451)	-
Total	<u>5,278,502</u>	<u>2,960,009</u>	<u>13,745,828</u>	<u>12,996,994</u>	<u>5,574,551</u>	<u>7,152,033</u>	<u>6,428,164</u>	<u>4,947,723</u>	<u>7,500,551</u>	<u>6,864,163</u>
Total Fund Balances	<u>\$10,262,298</u>	<u>\$ 8,464,887</u>	<u>\$18,200,586</u>	<u>\$19,103,395</u>	<u>\$11,855,178</u>	<u>\$13,432,801</u>	<u>\$12,848,039</u>	<u>\$11,257,422</u>	<u>\$13,518,753</u>	<u>\$13,211,025</u>

In 2011, the Village implemented GASB Statement No. 54, which changed the classifications of fund balances. Prior periods have not be reclassified to this new standard.

VILLAGE OF SHOREWOOD

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Years

(continued)

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Revenues</b>					
Taxes	\$ 11,074,984	\$ 11,526,622	\$ 12,122,900	\$ 12,061,129	\$ 10,956,762
Intergovernmental revenue	1,784,758	1,819,587	1,738,798	1,459,011	2,142,252
Regulation and compliance	964,736	984,511	575,283	512,054	550,610
Fines	-	-	518,088	481,800	459,720
Charges for services	465,282	461,831	455,532	710,439	717,431
Investment income	191,674	154,326	258,836	225,409	209,163
Other revenues	261,624	173,457	289,235	261,956	335,638
Total Revenues	<u>14,743,058</u>	<u>15,120,334</u>	<u>15,958,672</u>	<u>15,711,798</u>	<u>15,371,576</u>
<b>Expenditures</b>					
Current					
General government	1,075,355	1,017,937	1,187,425	1,098,506	1,395,216
Public safety	6,155,896	6,654,552	6,659,581	6,696,353	6,697,663
Public works	1,877,680	1,998,131	1,872,165	2,012,248	2,105,901
Health and social services	381,643	378,314	322,481	305,189	309,231
Culture and recreation	1,401,219	1,216,690	1,078,581	1,155,021	1,259,898
Conservation and development	2,528,039	2,281,372	1,107,020	2,246,565	3,153,342
Capital Outlay	3,984,888	5,301,464	3,782,267	2,045,445	3,449,689
Debt Service					
Principal	1,183,677	1,283,566	1,620,382	1,951,186	5,659,845
Interest and fiscal charges	1,014,068	962,548	1,254,978	1,148,822	1,002,471
Total Expenditures	<u>19,602,465</u>	<u>21,094,574</u>	<u>18,884,880</u>	<u>18,659,335</u>	<u>25,033,256</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(4,859,407)	(5,974,240)	(2,926,208)	(2,947,537)	(9,661,680)
<b>Other Financing Sources (Uses)</b>					
Transfers in	1,426,370	1,335,181	1,548,631	7,691,962	1,774,524
Transfers out	(1,329,204)	(1,237,860)	(1,414,800)	(7,546,017)	(3,505,560)
General obligation debt issued	8,461,554	6,390,000	12,220,000	5,290,000	4,070,000
Premium on bonds issued	-	113,680	120,998	197,040	69,064
Insurance recoveries	213,685	93,734	-	-	-
Payment on current refunding	(1,630,372)	-	-	-	-
Payment on advanced refunding	-	(2,521,049)	-	(1,800,947)	-
Payment of unfunded pension liability	-	-	-	-	-
Sale of property	7,876	3,142	41,889	18,309	5,375
Total Other Financing Sources (Uses)	<u>7,149,909</u>	<u>4,176,828</u>	<u>12,516,718</u>	<u>3,850,347</u>	<u>2,413,403</u>
Net Change in Fund Balances	<u>\$ 2,290,502</u>	<u>\$ (1,797,412)</u>	<u>\$ 9,590,510</u>	<u>\$ 902,810</u>	<u>\$ (7,248,277)</u>
Debt Service as a percentage of noncapital expenditures	11.92%	11.97%	17.46%	17.33%	29.49%

Past year's revenues and expenditures have not been adjusted for restatements made in future years.

VILLAGE OF SHOREWOOD

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Years

(concluded)

	Fiscal Year				
	2015	2016	2017	2018	2019
Revenues					
Taxes	\$ 12,708,644	\$ 13,413,950	\$ 14,876,565	\$ 15,501,813	\$ 16,014,054
Intergovernmental revenue	1,843,614	1,853,652	1,997,303	1,952,309	1,793,333
Regulation and compliance	579,720	517,085	515,585	467,034	490,860
Fines	448,231	478,605	595,696	510,570	592,697
Charges for services	722,921	446,312	593,025	406,012	801,628
Investment income	284,905	282,564	229,379	376,729	649,864
Other revenues	317,792	812,062	465,492	386,006	331,714
Total Revenues	<u>16,905,827</u>	<u>17,804,230</u>	<u>19,273,045</u>	<u>19,600,473</u>	<u>20,674,150</u>
Expenditures					
Current					
General government	1,216,710	1,343,321	1,364,520	1,392,937	1,350,769
Public safety	6,842,776	6,867,306	7,153,461	7,257,277	7,246,308
Public works	2,196,481	2,156,768	2,151,909	2,298,665	2,383,712
Health and social services	307,053	313,375	342,829	305,598	310,319
Culture and recreation	1,395,324	1,343,612	1,359,761	1,204,130	1,255,664
Conservation and development	6,108,624	3,209,468	764,274	631,891	362,982
Capital Outlay	1,693,001	6,274,662	4,479,858	4,796,295	2,079,224
Debt Service					
Principal	2,595,165	4,910,250	3,182,474	3,717,560	4,973,137
Interest and fiscal charges	1,225,769	1,308,986	1,281,606	1,307,978	1,251,345
Total Expenditures	<u>23,580,903</u>	<u>27,727,748</u>	<u>22,080,692</u>	<u>22,912,331</u>	<u>21,213,460</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(6,675,076)	(9,923,518)	(2,807,647)	(3,311,858)	(539,310)
Other Financing Sources (Uses)					
Transfers in	2,357,288	4,898,289	2,958,647	3,364,751	4,557,543
Transfers out	(2,188,943)	(4,723,199)	(2,766,728)	(3,165,117)	(4,350,019)
General obligation debt issued	8,050,000	8,640,000	985,000	5,275,000	-
Premium on bonds issued	-	501,351	-	71,928	-
Insurance recoveries	-	-	-	-	-
Payment on current refunding	-	-	-	-	-
Payment on advanced refunding	-	-	-	-	-
Payment of unfunded pension liability	-	-	-	-	-
Sale of property	34,354	22,315	40,111	26,627	24,058
Total Other Financing Sources (Uses)	<u>8,252,699</u>	<u>9,338,756</u>	<u>1,217,030</u>	<u>5,573,189</u>	<u>231,582</u>
Net Change in Fund Balances	<u>\$ 1,577,623</u>	<u>\$ (584,762)</u>	<u>\$ (1,590,617)</u>	<u>\$ 2,261,331</u>	<u>\$ (307,728)</u>
Debt Service as a percentage of noncapital expenditures	16.48%	27.73%	23.93%	25.80%	31.19%

Past year's revenues and expenditures have not been adjusted for restatements made in future years.

**VILLAGE OF SHOREWOOD**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
Last Ten Years**

Valuation Year	Collection Year	Residential Property	Commercial Property	Industrial Property	Personal Property	Total Taxable Assessed Value	Total Taxable Equalized Value	Ratio of Assessed to Equalized Value
2010	2011	1,248,898,500	230,760,300	-	9,391,001	1,489,049,801	1,437,686,900	103.57%
2011	2012	1,245,011,200	234,660,300	-	9,041,500	1,488,713,000	1,419,303,600	104.89%
2012	2013	1,239,108,900	229,699,100	-	10,394,300	1,479,202,300	1,300,467,300	113.74%
2013	2014	1,237,362,500	234,546,000	-	9,633,700	1,481,542,200	1,330,875,300	111.32%
2014	2015	1,240,487,400	251,441,200	-	9,698,500	1,501,627,100	1,431,921,200	104.87%
2015	2016	1,226,305,145	263,511,300	-	8,512,700	1,498,329,145	1,497,728,300	100.04%
2016	2017	1,243,069,000	291,094,900	-	9,641,200	1,543,805,100	1,567,602,300	98.48%
2017	2018	1,291,525,800	305,679,100	-	12,821,000	1,610,025,900	1,634,825,200	98.48%
2018	2019	1,294,342,900	314,288,500	-	9,604,000	1,618,235,400	1,714,159,900	94.40%
2019	2020	1,359,659,400	361,267,900	-	9,871,500	1,730,798,800	1,755,222,400	98.61%

Source: Wisconsin Department of Revenue

Assessed values are as of January 1 of a given year and are used for the following year's tax revenue. For example: assessed values on January 1, 2019 are used for the 2019 tax levy which is collected and shown as revenue in 2020.

Total Taxable Assessed Value does not include tax exempt properties; Tax exempt properties are not assigned values.

The Village does not have any industrial or agricultural property.

**VILLAGE OF SHOREWOOD**

PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUE)  
DIRECT AND OVERLAPPING GOVERNMENTS  
Last Ten Fiscal Years

Tax Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Collection Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Direct Rates</b>										
General Fund	\$ 5.18	\$ 4.31	\$ 6.39	\$ 5.28	\$ 5.33	\$ 5.42	\$ 5.27	\$ 5.07	\$ 5.11	\$ 4.86
Debt Service Fund	0.76	0.85	0.68	0.90	1.01	1.06	1.08	1.08	1.13	1.06
Capital Projects Fund	0.27	0.20	0.17	0.36	0.27	0.24	0.29	0.34	0.23	0.22
Library Fund	0.53	0.53	0.53	0.54	0.54	0.55	0.56	0.55	0.56	0.53
Senior Services	0.05	0.06	0.06	0.07	0.07	0.07	0.07	0.05	0.07	0.06
Shorewood Today	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Marketing	0.02	0.02	0.02	0.02	0.03	0.03	0.02	0.00	0.00	0.00
Total Direct Rate	<u>6.81</u>	<u>5.97</u>	<u>7.85</u>	<u>7.17</u>	<u>7.25</u>	<u>7.37</u>	<u>7.29</u>	<u>7.09</u>	<u>7.10</u>	<u>6.73</u>
<b>Overlapping Rates</b>										
Shorewood School District	12.22	12.29	12.19	12.44	12.67	13.13	13.02	12.93	13.39	12.94
Whitefish Bay School	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State School Levy Credit	(1.96)	(1.96)	(1.97)	(1.96)	(1.94)	(2.23)	(2.20)	(2.37)	(2.38)	(2.29)
Milwaukee Area Technical College	1.79	1.71	1.86	1.91	1.16	1.19	1.18	1.17	1.18	1.09
Milwaukee County	4.16	4.14	4.43	4.61	4.65	4.86	4.78	4.71	4.73	4.40
Milwaukee Metropolitan Sewerage District	1.35	1.33	1.43	1.53	1.57	1.65	1.64	1.61	1.63	1.52
State Of Wisconsin	0.16	0.16	0.15	0.15	0.16	0.17	0.17	-	-	-
TID's	0.91	2.18	0.05	0.03	1.22	1.57	2.28	2.47	2.75	2.70
Effective Rate	<u>\$ 25.44</u>	<u>\$ 25.80</u>	<u>\$ 25.99</u>	<u>\$ 25.88</u>	<u>\$ 26.75</u>	<u>\$ 27.72</u>	<u>\$ 28.16</u>	<u>\$ 27.61</u>	<u>\$ 28.40</u>	<u>\$ 27.10</u>

Source: Village Records

Section 66.0602 of the Wisconsin State Statutes imposes a limit on property tax levies.

Generally, the levies are limited to the prior year's tax levy plus the change in debt service, and any increase in net new construction. For some years presented the limit also included an inflationary factor or a carryforward provision. Some other specific adjustments to the limits are also allowed.

VILLAGE OF SHOREWOOD

PRINCIPAL PROPERTY TAXPAYERS  
Ten Years Ago and Current Year

2009					2019				
Taxpayer	Type of Business	Total Assessed Valuation	Rank	% of Total Assessed Valuation	Taxpayer	Type of Business	Total Assessed Valuation	Rank	% of Total Assessed Valuation
Estabrook Homes	Apartments	\$ 18,154,700	1	1.21%	MDC Coastal 7, LLC	Commercial	\$ 38,366,692	1	2.22%
Sobczak, LLC	Commercial	12,763,821	2	0.85%	CHP Shorewood	Commercial	19,905,684	2	1.15%
River Park Development	Commercial	11,046,000	3	0.73%	General Capital LLC	Commercial	19,439,624	3	1.12%
Fountainview	Apartments	8,851,939	4	0.59%	Eastbrook Homes	Apartments	17,281,809	4	1.00%
Shoreline Realty	Commercial	8,697,780	5	0.58%	River Park Development	Commercial	13,798,110	5	0.80%
Oakland Ave Property LP	Commercial	8,282,500	6	0.55%	Kenmore Place	Commercial	12,352,535	6	0.71%
Blankstein Enterprises	Commercial	6,016,882	7	0.40%	Exchequer LLC	Commercial/Mix	9,493,582	7	0.55%
Peck Properties	Commercial	5,267,821	8	0.35%	Fountain View	Apartments	8,807,241	8	0.51%
Sunrise Shorewood	Commercial	4,842,200	9	0.32%	Wired Properties	Commercial	8,269,887	9	0.48%
Robinson Family	Apartments	4,300,000	10	0.29%	Shorewood Senior Apts.	Apartments	7,899,319	10	0.46%
Total		<u>\$ 88,223,643</u>		<u>5.87%</u>	Total		<u>\$ 155,614,482</u>		<u>8.99%</u>

Based on total Assessed Value as of January 1,

2009 \$ 1,503,438,346

2019 \$ 1,730,798,800

**VILLAGE OF SHOREWOOD**

**PROPERTY TAX LEVIES AND COLLECTIONS**  
Last Ten Fiscal Years

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Levy Year	Collection Year	Total Tax Levy	Total Uncollected	Collected within the Fiscal Year of the Levy	
				Amount	% of Levy
2010	2011	10,518,068	12,143	10,505,925	99.88%
2011	2012	9,645,304	7,998	9,637,306	99.92%
2012	2013	12,061,129	10,587	12,050,542	99.91%
2013	2014	10,776,128	3,830	10,772,298	99.96%
2014	2015	10,882,218	5,911	10,876,307	99.95%
2015	2016	11,046,002	9,716	11,036,286	99.91%
2016	2017	11,250,022	6,477	11,243,545	99.94%
2017	2018	11,418,306	6,675	11,411,631	99.94%
2018	2019	11,485,740	7,098	11,478,642	99.94%
2019	2020	11,648,361	5,645,315	6,003,046	51.54%

Tax bills are generated by December 15 of the levy year and are due January 31 of the following year, or in installments through May 31. After August 15 of the collection year Milwaukee County takes over any remaining delinquent balances, excluding delinquent personal property taxes, and pays the Village. Thus any residual uncollected balances are typically very low.

The most recent year only includes taxes collected through 12/31 of the reporting year.

**VILLAGE OF SHOREWOOD**

**RATIOS OF OUTSTANDING DEBT BY TYPE**  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business Activities	Total Primary Government	AGI	% of Adjusted Gross Income	Debt Per Capita
	General Obligation Bonds/Notes	General Obligation Bonds/Notes				
2010	21,715,333	2,408,712	24,124,045	500,840,658	4.82%	1,807.04
2011	24,385,068	4,315,478	28,700,546	496,471,390	5.78%	2,178.08
2012	34,984,686	9,374,397	44,359,083	451,006,230	9.84%	3,368.19
2013	36,623,500	8,860,374	45,483,874	466,673,290	9.75%	3,453.60
2014	35,033,656	10,410,687	45,444,343	473,332,660	9.60%	3,449.55
2015	40,488,491	9,698,275	50,186,766	540,231,149	9.29%	3,807.80
2016	43,923,241	10,441,889	54,365,130	541,122,800	10.05%	4,125.45
2017	42,020,769	9,766,117	51,786,886	546,186,776	9.48%	3,914.94
2018	43,578,206	10,062,264	53,640,470	602,872,805	8.90%	4,055.07
2019	38,721,709	9,481,141	48,202,850	600,000,000	8.03%	3,610.70

Current year adjusted gross income (AGI) data is estimated.

**VILLAGE OF SHOREWOOD**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
Last Ten Fiscal Years

Fiscal Year	Total General Bonded Debt	Total Taxable Equalized Value	Ratio of General Bonded Debt to Equalized Property Value	Population	General Bonded Debt Per Capita
2009	18,652,079	1,525,289,600	1.22%	13,360	1,396.11
2010	24,124,045	1,437,686,900	1.68%	13,350	1,807.04
2011	28,700,546	1,419,303,600	2.02%	13,177	2,178.08
2012	44,359,083	1,300,467,300	3.41%	13,170	3,368.19
2013	45,483,874	1,330,875,300	3.42%	13,174	3,452.55
2014	45,444,343	1,431,921,200	3.17%	13,180	3,447.98
2015	50,186,766	1,497,728,300	3.35%	13,178	3,808.38
2016	54,365,130	1,567,602,300	3.47%	13,134	4,139.27
2017	51,786,886	1,634,825,200	3.17%	13,228	3,914.94
2018	53,640,470	1,714,159,900	3.13%	13,315	4,028.57
2019	48,202,850	1,755,222,400	2.75%	13,350	3,610.70

Current year population is an estimate based on municipal expectations.

## VILLAGE OF SHOREWOOD

### LEGAL DEBT MARGIN INFORMATION Last Ten Fiscal Years

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Year	Total Taxable Equalized Value	General Obligation Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Net Debt as a % of Limit
2009	1,525,289,600	76,264,480	18,652,079	57,612,401	24.46%
2010	1,437,686,900	71,884,345	24,124,045	47,760,300	33.56%
2011	1,419,303,600	70,965,180	28,700,546	42,264,634	40.44%
2012	1,300,467,300	65,023,365	44,359,083	20,664,282	68.22%
2013	1,330,875,300	66,543,765	45,483,874	21,059,891	68.35%
2014	1,431,921,200	71,596,060	45,444,343	26,151,717	63.47%
2015	1,497,728,300	74,886,415	50,186,766	24,699,649	67.02%
2016	1,567,602,300	78,380,115	54,365,130	24,014,985	69.36%
2017	1,634,825,200	81,741,260	51,786,886	29,954,374	63.35%
2018	1,714,159,900	85,707,995	53,640,470	32,067,525	62.59%
2019	1,755,222,400	87,761,120	48,202,850	39,558,270	54.93%

Per Wisconsin State Statutes, municipalities are limited to 5% of the total equalized value.

**VILLAGE OF SHOREWOOD**

COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
As of December 31, 2019

Governmental Unit	General Obligation Bonded Debt Outstanding	Percentage Applicable to Village	Amount Applicable to Village
Village of Shorewood	\$ 38,721,709	100%	\$ 38,721,709
Milwaukee Area Technical College	101,965,000	2.01%	2,049,497
Milwaukee County	532,500,000	2.53%	13,472,250
Shorewood School District	50,145,000	100.0%	50,145,000
Whitefish Bay School District	9,190,000	0.03%	2,757
Milwaukee Metropolitan Sewage District	815,624,000	2.57%	20,961,537
Total Overlapping	<u>1,509,424,000</u>		<u>86,631,040</u>
Total Direct and Overlapping Debt	<u>\$ 1,548,145,709</u>		<u>\$ 125,352,749</u>

Source: Outstanding debt obtained from each taxing unit. Percentage applicable is from the DOR report used for apportionment of county levies.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This table estimates the portion of the outstanding debt of these overlapping governments that is borne by the taxpayers of the Village through the taxes levied by these government agencies.

General obligation debt of the Village's business-type activities are not included above as those are anticipated to be repaid through user fees, rather than property taxes.

**VILLAGE OF SHOREWOOD**

DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Fiscal Years

Year	Population	Adjusted Gross Income	Per Capita Adjusted Gross Income			Unemployment Rates	
			Village of Shorewood	Milwaukee County	State of Wisconsin	Milwaukee County	State of Wisconsin
2009	13,360	484,198,620	36,242	20,195	23,211	9.70%	8.80%
2010	13,350	500,840,658	37,516	20,486	24,218	8.70%	7.40%
2011	13,177	496,471,390	37,677	20,681	24,942	7.90%	6.70%
2012	13,170	451,006,230	34,245	21,433	26,271	8.00%	6.60%
2013	13,174	466,673,290	35,424	22,406	26,963	7.90%	6.30%
2014	13,180	473,322,660	35,912	22,507	27,671	6.00%	4.50%
2015	13,178	540,231,149	40,995	23,939	29,145	5.10%	4.20%
2016	13,134	541,122,800	41,200	24,327	29,711	4.40%	3.70%
2017	13,228	546,186,776	41,290	24,269	30,182	3.10%	2.70%
2018	13,315	602,872,805	45,278	25,780	31,962	3.50%	2.60%
2019	13,350	600,000,000	44,944	25,789	31,760	3.60%	3.50%

Sources: Adjusted Gross Income for the Village, County and State from the Wisconsin Dept of Revenue  
Population from the Wisconsin Department of Administration.  
Unemployment rates from the Wisconsin Department of Workforce Development

- (1) Unemployment data specific to the Village of Shorewood is not available.
- (2) Current year Adjusted Gross Income (AGI) and population data is estimated.

VILLAGE OF SHOREWOOD

PRINCIPAL EMPLOYERS  
Ten Years Ago and Current Year

(continued)

Employer	Type of Business	2019		
		Number of Employees (1)	Rank	% of Total County Employment
Metro Market	Retail/Grocery	400	1	0.09%
School District of Shorewood	Education	300	2	0.07%
Village of Shorewood	Municipal government	105	3	0.02%
St. Roberts Parish	Education	60	4	0.01%
Walgreens	Retail/Pharmacy	40	5	0.01%
Corner Bakery	Restaurant	33	6	0.01%
Ladea Medical Aesthetics-Laseer	Medical	25	7	0.01%
Shorewood Animal Hospital	Veterinary Care	22	8	0.00%
Culver's	Restaurant	20	9	0.00%
City Market	Restaurant	20	10	0.00%
Total		1,025		0.22%
Total employment Milwaukee County				461,154

Sources include:

- Prior year's Village Official Statements
- Wisconsin Department of Workforce Development

VILLAGE OF SHOREWOOD

PRINCIPAL EMPLOYERS  
Ten Years Ago and Current Year

(concluded)

Employer	Type of Business	2009		
		Number of Employees (1)	Rank	% of Total County Employment
School District of Shorewood	Education	348	1	0.08%
Village of Shorewood	Government	104	2	0.02%
Culvers	Restaurant	54	3	0.01%
Ab Data LTD	Data Services	50	4	0.01%
Catholic Family Life Insurance	Insurance	45	5	0.01%
Baker's Square	Restaurant	33	6	0.01%
North Shore Bank	Financial Institution	23	7	0.01%
Total		657		0.15%
Total employment Milwaukee County				424,919

Sources include:

- Prior year's Village Official Statements, limited data prior to 2010
- Wisconsin Department of Workforce Development

**VILLAGE OF SHOREWOOD**

VILLAGE EMPLOYEES BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Village Employees (1)										
General Government										
Village manager	1.50	1.80	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Clerk/Customer Service	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Finance	1.94	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Planning and development	4.50	5.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00
Municipal court	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.75	0.75
Public safety - police	32.00	31.90	31.90	31.80	31.80	31.80	30.00	30.00	30.00	30.00
Health (2)	2.59	2.81	-	-	-	-	-	-	-	-
Public works	22.39	22.39	21.85	21.85	21.95	21.95	21.95	21.95	21.95	21.95
Culture and Recreation										
Library	11.50	13.46	13.46	13.25	13.25	13.25	13.25	13.40	13.40	13.40
Senior resource center	0.90	0.90	0.90	1.10	1.10	1.10	1.20	1.35	1.35	1.35
Total	<u>83.32</u>	<u>86.76</u>	<u>83.11</u>	<u>83.00</u>	<u>83.10</u>	<u>83.10</u>	<u>81.40</u>	<u>81.70</u>	<u>81.45</u>	<u>80.45</u>

(1) Information from Village Budget documents

(2) In 2012, the Village consolidated its health department with North Shore Health Department.

VILLAGE OF SHOREWOOD

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	5	5	5	5	5	6	6	6	6	6
Fire stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (sq feet)	-	4,676,027	4,676,027	4,676,027	4,676,027	4,676,027	4,726,808	4,726,808	4,726,808	4,726,808
Streets (miles length)	-	28.04	28.04	28.04	28.04	28.04	28.46	28.46	28.46	28.46
Culture and recreation										
Number of parks	5	5	5	5	5	5	5	5	5	5
Acreage of parkland	63	63	63	63	63	63	63	63	63	63
Water, Sewer, and Parking										
Feet of water main	169,746	169,746	169,746	169,746	169,746	169,746	169,746	169,746	169,746	169,746
Number of hydrants	291	308	310	310	310	310	312	312	312	312
Municipal owned parking lots	5	5	5	5	5	5	5	5	5	5
Feet of sewer pipe	245,383	256,609	268,763	268,763	268,763	268,763	268,763	268,763	268,763	268,763

**VILLAGE OF SHOREWOOD**

OPERATING INDICATORS BY FUNCTION / PROGRAM  
Last Ten Fiscal Years

	Fiscal Year	
	2018	2019
<b>General Government</b>		
Building permits issued	575	526
Valuation of building permits	\$ 10,890,713	\$ 20,535,350
<b>Public Safety - Police</b>		
Homicides	-	-
Forcible rape	-	1
Robbery	6	7
Assault	15	23
Total crimes against persons	<u>21</u>	<u>31</u>
Burglary	12	28
Theft	331	188
Motor vehicle thefts	31	10
Total crimes against property	<u>374</u>	<u>226</u>
Total Crimes Reported	<u>395</u>	<u>257</u>
<b>DPW</b>		
Tons of refuse	2,937	2,930
Tons of recycling	1,039	1,224
<b>Library</b>		
Visitors to the library	192,037	183,508
Items added	10,047	5,862
Items owned	315,805	316,733
Items checked out	309,427	299,789
Registered borrowers	7,431	7,362
Reference questions	20,032	18,553
Computer users	40,122	35,883
Electronic Media uses	5,001	8,455
Program attendance	22,915	9,420
<b>Water Utility</b>		
Meters in service	3,520	3,535
Gallons sold (1,000's)	313,204	305,699

(1) Various Village departments provided the information shown above.