

Village of Hales Corners

Financial Statements and
Supplementary Information

December 31, 2022

Village of Hales Corners

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INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Village Board of
Village of Hales Corners

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Hales Corners (the Village), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village as of December 31, 2022 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information included in the annual report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Baker Tilly US, LLP

Milwaukee, Wisconsin
May 15, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (Unaudited)

This section of the Village of Hales Corners annual financial report provides the reader with management's narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2022. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position, and (4) identify any changes in the Village's financial plan (approved budget).

Overview of the Financial Statements

Management's Discussion and Analysis serves as an introduction to the Village of Hales Corners' basic financial statements. The Village's basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The Village's basic financials statements include two government-wide financial statements, the Statement of Net Position and the Statement of Activities. These financial statements are designed to provide the reader with a broad overview of the Village of Hales Corners finances. Financial reporting at this level uses a perspective similar to that found in the private sector utilizing full accrual accounting and the elimination or reclassification of internal activities.

The Statement of Net Position presents information on all of the Village's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Village as a whole is improving or deteriorating. Other non-financial factors play a significant role in determining the Village's overall position, such as changes in property tax base and the condition of the Village's capital assets (i.e. infrastructure and physical plant).

The Statement of Activities presents information showing how the Village's net position changed during the current 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 (full accrual method). Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods.

Both of these government-wide financial statements provide information on the governmental activities of the Village. These governmental activities of the Village include general government, public safety, public works, health and human services, culture and recreation, and conservation and development. These activities are principally financed by taxes, user fees, and state and federal grants and contributions.

The government-wide financial statements can be found on pages 10 and 11 of this report.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations.

The Village of Hales Corners uses only governmental funds, which 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, the focus of fund financial statements is on short-term use of spendable resources (inflows and outflows) available at the end of the fiscal year (modified accrual method). Such information may be useful in evaluating the Village's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the 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 Village's near-term financing decisions. Both the Balance Sheet - Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic fund financial statements can be found on pages 12 through 16 of this report.

The Village of Hales Corners adopts an annual appropriated budget for all funds as required by state statute. The Detailed Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – General Fund, found on page 57 to 60, has been provided as required supplementary information to demonstrate compliance with the adopted budget.

Notes to Financial Statements

The notes 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 the financial statements can be found on pages 18 through 49 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information. Other required supplementary information can be found on pages 50 through 56 of this report. Supplementary information can be found on pages 57 through 70 of this report. Other information can be found on pages 71 and 72.

Government-wide Financial Analysis and Highlights

As of the year ended December 31, 2022, Village assets exceeded liabilities by \$19,102,562. Of this amount; \$2,179,083 was restricted; \$17,612,234 invested in capital assets, net of related debt; and due to accounting for pension obligations as required under Governmental Accounting Standards Board Statement No. 68 – Accounting and Financial Reporting for Pensions, the unrestricted balance is a deficit of \$688,755 due to financial market activity. Overall net position increased by \$1,229,945 as of December 31, 2022.

The following condensed financial information related to Village assets, liabilities, and net position has been derived from the Village's government-wide financial statements:

	<u>2022</u>		<u>2021</u>
Assets:			
Capital assets	\$ 27,828,997	\$	26,907,190
Other assets	17,390,440		15,073,456
Total assets	<u>45,219,437</u>		<u>41,980,646</u>
Deferred Outflows of Resources	<u>4,089,523</u>		<u>2,679,135</u>
Liabilities and Net Position:			
Liabilities:			
Long-term liabilities	16,091,201		14,207,025
Other liabilities	2,178,391		1,961,386
Total liabilities	<u>18,269,592</u>		<u>16,168,411</u>
Deferred Inflows of Resources	<u>11,936,806</u>		<u>10,618,753</u>
Net Position:			
Invested in capital assets, net of related debt	17,612,234		17,608,410
Restricted	2,179,083		1,727,051
Unrestricted	(688,755)		(1,462,844)
Total net position	<u>\$ 19,102,562</u>	\$	<u>17,872,617</u>

Government-wide Financial Analysis and Highlights (continued)

Total net position increased by \$1,229,945 in 2022. The increase is primarily related to intergovernmental revenue increases for operating grants for the Health Department, decreases in pension obligations relative to actuarial adjustments and increased in fixed assets capitalized in 2022.

The Village received the second tranche of American Recovery Plan Act (ARPA) funding in the amount of \$396,013 which was been recorded as a deferred revenue. Total revenues received under ARPA are \$792,027, expenditures since receipt of funds \$157,839 and deferred revenue of \$634,188, inclusive of interest earnings, remain but must be expended by the end of 2024.

The following condensed financial information related to Village revenues, expenses, and changes in net position has been derived from the Village's government-wide financial statements:

Revenues:	<u>2022</u>	<u>2021</u>
Program:		
Charges for services	\$ 2,260,398	\$ 2,288,295
Operating grants and contributions	984,738	934,405
Capital grants and contributions	16,797	23,473
General:		
Taxes	5,970,224	5,822,742
Other	527,432	305,048
Total revenues	<u>9,759,589</u>	<u>9,373,963</u>
Expenses:		
General government	680,465	765,119
Public safety	3,619,433	4,216,929
Public works	2,516,150	2,558,600
Health and human services	321,761	286,240
Culture and recreation	744,157	661,063
Conservation and development	139,862	220,010
Interest on long-term debt	507,816	454,661
Total expenses	<u>8,529,644</u>	<u>9,162,622</u>
Change in net position	<u>1,229,945</u>	<u>211,341</u>
Net position, beginning of year	<u>17,872,617</u>	<u>17,661,276</u>
Net position, end of year	<u>\$ 19,102,562</u>	<u>\$ 17,872,617</u>

Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village's governmental funds are categorized as major and non-major. The three major funds are 1) the General Fund, which accounts for the Village's primary operating activities and 2) the General Capital Projects Fund for the acquisition or construction of major capital facilities and equipment, and 3) the Debt Service fund which accounts for the accumulation of resources for, and the payment of, general long-term obligation principal and interest. The non-major funds are segregated into two fund-types: 1) capital projects, 2) special revenue funds.

The Village's combined ending fund balance was \$6,922,806. This amount represents the Village's major funds: General Fund - \$2,689,314, General Capital Projects Fund - \$3,056,772 and Debt Service Fund - \$74,741 as well as Other Governmental Funds - \$1,101,979.

The General Fund balance of \$2,689,314 is comprised of \$557,676 that is considered committed, assigned or non-spendable and \$2,131,638 unassigned. The General Fund balance increased during the year by \$171,565.

The General Capital Projects Fund has a fund balance of \$3,056,772, an increase from the 2021 fund balance of \$1,099,346, due primarily related to bonds issued in 2022 for the 2023-2025 Road Improvement Program. The 2022 Bond Proceeds remaining totaled \$3,718,190 as no funding for the program had been incurred at yearend. Infrastructure improvement projects completed in 2022 incurred total expenses for the period ending December 31, 2022 of \$1,978,990. Debt issued in 2022 for the purposes of funding the road improvement projects scheduled for 2023-2025 totaled \$3,000,000 and \$14,318 in interest earned on the proceeds of the bond were recorded.

The Debt Service Fund has a fund balance of \$74,741, an increase from 2021 fund balance of \$71,089. The increase is attributable to premiums received on bonds issued in 2022 for planned local road improvement projects.

The non-major funds have a balance of \$1,101,979, compared to a balance of \$822,799 in 2021. The increase is attributable to grants received for Health Department programs and transfers for equipment replacement need sinking funds for future equipment purchases.

General Fund Budgetary Highlights

The Village Board amended the 2022 originally adopted General Fund operating budget as follows:

The amendments were related to changes in requests for services provided by the Village for building inspection, funding vacant Police Department positions from available reserves and ambulance revenues. Additional calls for service for Emergency Services resulted in higher public safety wages incurred to support the demand.

		Increase (Decrease)
Current Revenues:		
Building Permits	\$	39,000
Miscellaneous		700
Net Revenues	\$	<u>39,700</u>
		Increase (Decrease)
Current expenditures:		
General government	\$	11,000
Public Safety		212,000
Public works		44,571
Health and human services		(12,000)
Culture and recreation		155,851
Contingency		<u>(371,722)</u>
Net expenditures		39,700
Net Change	\$	<u>-</u>

Capital Asset and Debt Administration

Capital Assets

The Village's investment in capital assets as of December 31, 2022, amounts to \$27,828,997 (net of accumulated depreciation), and major categories comprising this balance are summarized as follows:

	<u>2022</u>	<u>2021</u>
Land & Construction In Progress	\$ 6,099,659	6,130,459
Land improvements	194,502	194,502
Buildings	12,102,983	12,200,780
Equipment and furnishings	3,418,259	3,546,163
Infrastructure	16,260,615	14,459,160
Total	<u>38,076,018</u>	<u>36,531,063</u>
Accumulated depreciation	<u>(10,247,021)</u>	<u>(9,623,873)</u>
Net capital assets	<u>\$ 27,828,997</u>	<u>26,907,190</u>

Construction in progress, totaling \$70,262 includes several road improvement projects, a network cabling project, and improvements for the Fire Department roof and Health Department facility projects in progress at the end of 2022. The only road project in progress at the end of 2022 was South New Berlin Road which will be completed in 2023.

Long-term Debt

As of December 31, 2022 the Village had total debt outstanding of \$14,821,076. The Village previous bonds and notes total \$13,555,000 as well as a Tax Incremental District No. 4 Development Note of \$1,266,076.

Economic Factors Affecting the Future

Ongoing state restrictions on local tax levies for operating purposes will limit revenue capacity through 2023. State shared revenues have been stagnate since 2004. There is some legislative interest in addressing the needs for changes to the formula and aid received by local municipalities at the State level to address ongoing public safety expenditures, infrastructure needs and incentivizing shared services. This is in the early stages of development and if approved, increased funding would not be available until 2025. Debt service is exempt from the state levy limits, and will not affect the Village's borrowing capacity.

Property tax levied in 2022 to support 2023 Village operations increased by 3.24% over 2021 levies. Property values due to net new construction increased by \$1,877,800 (0.25%) in 2022. State imposed levy caps tied directly to net new construction, will continue to put pressure on the Village's ability to levy taxes in the future as the Village is nearly fully developed. The Forest Ridge Senior Community Phase IV will be complete by the end of 2023 and add approximately \$22 million in net new construction, however, this will be not be realized for ability to levy additional tax revenue until the 2025 Fiscal Year.

The Village as Fiduciary

The Village acts as fiduciary for property taxes collected on behalf of other taxing units, including the State of Wisconsin, Milwaukee County, Whitnall School District, MMSD, and Milwaukee County Technical College. Year end balances related to the Village's fiduciary activities are reported in the Statement of Changes in Fiduciary Net Position – Custodial Fund on page 16. The Village excludes these assets from other financial statements because the Village cannot use these assets to finance its operations.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If there are questions about this report or a need for further information, contact Sandra M. Kulik, Village of Hales Corners, 5635 S. New Berlin Road, Hales Corners, WI 53130.

BASIC FINANCIAL STATEMENTS

Village of Hales Corners

Statement of Net Position

December 31, 2022

	<u>Governmental Activities</u>
Assets	
Cash and investments	\$ 7,427,199
Receivables:	
Taxes	7,541,437
Accounts (net)	313,411
Inventories	1,588
Prepaid items	72,899
Restricted asset, net pension asset	2,033,906
Capital assets:	
Land	6,029,397
Construction in progress	70,262
Property and equipment (net of accumulated depreciation)	<u>21,729,338</u>
 Total assets	 <u>45,219,437</u>
Deferred Outflows of Resources	
Deferred outflows related to OPEB	92,759
Deferred outflows related to pension	<u>3,996,764</u>
 Total deferred outflows of resources	 <u>4,089,523</u>
Liabilities	
Accounts payable and other liabilities	580,970
Accrued interest payable	67,801
Unearned revenues	674,620
Noncurrent liabilities:	
Due within one year	855,000
Due in more than one year	<u>16,091,201</u>
 Total liabilities	 <u>18,269,592</u>
Deferred Inflows of Resources	
Unearned revenue property taxes	7,110,475
Deferred inflows related to OPEB	35,611
Deferred inflows related to pension	<u>4,790,720</u>
 Total deferred inflows of resources	 <u>11,936,806</u>
Net Position	
Net investment in capital assets	17,612,234
Restricted for debt service	6,940
Restricted for TIF activities	61,169
Restricted for other	77,068
Restricted for pension	2,033,906
Unrestricted (deficit)	<u>(688,755)</u>
 Total net position	 <u>\$ 19,102,562</u>

See notes to financial statements

Village of Hales Corners

Statement of Activities

Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General government	\$ 680,465	\$ 259,729	\$ -	\$ -	\$ (420,736)
Public safety	3,619,433	581,841	124,818	16,797	(2,895,977)
Public works	2,516,150	876,088	649,190	-	(990,872)
Health and human services	321,761	387,331	210,730	-	276,300
Library, parks and recreation	744,157	155,409	-	-	(588,748)
Conservation and development	139,862	-	-	-	(139,862)
Interest and fiscal charges	507,816	-	-	-	(507,816)
Total governmental activities	<u>\$ 8,529,644</u>	<u>\$ 2,260,398</u>	<u>\$ 984,738</u>	<u>\$ 16,797</u>	<u>(5,267,711)</u>

General Revenues

Taxes:

Property taxes levied for general purposes	4,438,752
Property taxes levied for tax increment financing districts	254,472
Property taxes levied for debt service	1,277,000
Intergovernmental revenues not restricted to specific programs	409,369
Investment income	152,491
Miscellaneous	32,315
Gain (loss) on disposal of capital assets	(66,743)

Total general revenues 6,497,656

Change in net position 1,229,945

Net Position, Beginning 17,872,617

Net Position, Ending \$ 19,102,562

See notes to financial statements

Village of Hales Corners

Balance Sheet -
Governmental Funds
December 31, 2022

	General	General Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 1,605,817	\$ 3,104,711	\$ 822,466	\$ 1,894,205	\$ 7,427,199
Receivables:					
Taxes	5,969,963	-	1,277,000	294,474	7,541,437
Accounts (net)	278,107	-	-	35,304	313,411
Due from other funds	900,635	-	-	1,987	902,622
Inventories	1,588	-	-	-	1,588
Prepaid items	72,899	-	-	-	72,899
	<u>8,829,009</u>	<u>3,104,711</u>	<u>2,099,466</u>	<u>2,225,970</u>	<u>16,259,156</u>
Total assets	<u>\$ 8,829,009</u>	<u>\$ 3,104,711</u>	<u>\$ 2,099,466</u>	<u>\$ 2,225,970</u>	<u>\$ 16,259,156</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 249,770	\$ 47,939	\$ -	\$ -	\$ 297,709
Accrued liabilities	253,333	-	-	-	253,333
Unearned revenues	-	-	-	674,620	674,620
Due to other funds	-	-	747,725	154,897	902,622
Deposits	29,928	-	-	-	29,928
	<u>533,031</u>	<u>47,939</u>	<u>747,725</u>	<u>829,517</u>	<u>2,158,212</u>
Total liabilities	<u>533,031</u>	<u>47,939</u>	<u>747,725</u>	<u>829,517</u>	<u>2,158,212</u>
Deferred Inflows of Resources					
Unavailable revenues	67,663	-	-	-	67,663
Unearned revenues	5,539,001	-	1,277,000	294,474	7,110,475
	<u>5,606,664</u>	<u>-</u>	<u>1,277,000</u>	<u>294,474</u>	<u>7,178,138</u>
Total deferred inflows of resources	<u>5,606,664</u>	<u>-</u>	<u>1,277,000</u>	<u>294,474</u>	<u>7,178,138</u>
Fund Balances					
Nonspendable	80,749	-	-	-	80,749
Restricted	-	-	74,741	138,237	212,978
Committed	269,927	3,056,772	-	906,918	4,233,617
Assigned	207,000	-	-	58,811	265,811
Unassigned (deficit)	2,131,638	-	-	(1,987)	2,129,651
	<u>2,689,314</u>	<u>3,056,772</u>	<u>74,741</u>	<u>1,101,979</u>	<u>6,922,806</u>
Total fund balances	<u>2,689,314</u>	<u>3,056,772</u>	<u>74,741</u>	<u>1,101,979</u>	<u>6,922,806</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,829,009</u>	<u>\$ 3,104,711</u>	<u>\$ 2,099,466</u>	<u>\$ 2,225,970</u>	

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. See Note 2.	27,828,997
Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	67,663
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	2,033,906
Deferred outflows of resources related to pension and OPEBs do not related to current financial resources and are not reported in the governmental funds.	4,089,523
Deferred inflows of resources related to pension and OPEBs do not related to current financial resources and are not reported in the governmental funds.	(4,826,331)
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds. See Note 2.	(17,014,002)
Net position of governmental activities	<u>\$ 19,102,562</u>

See notes to financial statements

Village of Hales Corners

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2022

	General	General Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 4,437,970	\$ -	\$ 1,277,000	\$ 254,472	\$ 5,969,442
Other taxes	782	-	-	-	782
Intergovernmental	939,481	-	-	428,777	1,368,258
Licenses and permits	198,014	-	-	-	198,014
Fines, forfeitures and penalties	163,425	-	-	-	163,425
Public charges for services	1,610,477	-	-	161,084	1,771,561
Investment income	83,442	38,505	12,577	20,611	155,135
Miscellaneous revenue	118,329	-	33,235	48,151	199,715
	<u>7,551,920</u>	<u>38,505</u>	<u>1,322,812</u>	<u>913,095</u>	<u>9,826,332</u>
Total revenues					
Expenditures					
Current:					
General government	657,653	-	-	45,284	702,937
Public safety	3,929,007	-	-	143,908	4,072,915
Public works	1,876,730	-	-	85,377	1,962,107
Health and human services	256,437	-	-	61,088	317,525
Library, parks and recreation	677,040	-	-	51,050	728,090
Conservation and development	-	-	-	169,937	169,937
Capital outlay	-	1,727,170	-	332,344	2,059,514
Debt service:					
Principal	-	-	945,000	-	945,000
Interest and fiscal charges	-	-	451,465	78,972	530,437
	<u>7,396,867</u>	<u>1,727,170</u>	<u>1,396,465</u>	<u>967,960</u>	<u>11,488,462</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	155,053	(1,688,665)	(73,653)	(54,865)	(1,662,130)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	-	-	-	140,263	140,263
Debt issued	-	3,000,000	-	-	3,000,000
Premium on debt issued	-	-	143,047	-	143,047
Transfers out	(188,000)	(251,819)	-	(234,156)	(673,975)
Transfers in	204,512	39,830	1,695	427,938	673,975
	<u>16,512</u>	<u>2,788,011</u>	<u>144,742</u>	<u>334,045</u>	<u>3,283,310</u>
Total other financing sources (uses)					
Net changes fund balances	171,565	1,099,346	71,089	279,180	1,621,180
Fund Balances, Beginning	<u>2,517,749</u>	<u>1,957,426</u>	<u>3,652</u>	<u>822,799</u>	<u>5,301,626</u>
Fund Balances, Ending	<u>\$ 2,689,314</u>	<u>\$ 3,056,772</u>	<u>\$ 74,741</u>	<u>\$ 1,101,979</u>	<u>\$ 6,922,806</u>

See notes to financial statements

Village of Hales Corners

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2022

Net Change in Fund Balances, Total Governmental Funds \$ 1,621,180

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements	2,059,514
Some items reported as operating expenditures in the fund statements are capitalized in the government-wide financial statements	98,951
Some items reported as capital outlay were not capitalized	(31,895)
Depreciation is reported in the government-wide statements	(997,757)
Net book value of assets retired	(207,006)

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

Principal repaid	945,000
Debt issued	(3,000,000)
Premium on debt issued	(143,047)

Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position these are deferred and reported as additions or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Amortization	17,146
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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.

Vested compensated absences	13,394
Other postemployment benefits, health and life	373,331
Net pension asset	506,132
Deferred outflows of resources related to OPEB	(17,061)
Deferred inflows of resources related to OPEB	3,879
Deferred outflows of resources related to pension	1,427,449
Deferred inflows of resources related to pension	(1,444,740)
Accrued interest on debt	5,475

Change in Net Position of Governmental Activities \$ 1,229,945

See notes to financial statements

Village of Hales Corners

Statement of Fiduciary Net Position
December 31, 2022

	<u>Custodial Fund</u> <u>Tax Collection Fund</u>
Assets	
Cash and investments	\$ 9,640,890
Taxes receivable	<u>1,882,755</u>
Total assets	<u>11,523,645</u>
Liabilities	
Due to other governmental units	<u>11,523,645</u>
Net position	<u><u>\$ -</u></u>

See notes to financial statements

Village of Hales Corners

Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2022

	<u>Custodial Fund</u> <u>Tax Collection Fund</u>
Additions	
Tax collections	\$ 8,050,650
Deductions	
Payments to overlying districts	<u>8,050,650</u>
Net change in net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to financial statements

Village of Hales Corners

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December 31, 2022

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Village of Hales Corners

Notes to Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Hales Corners, Wisconsin (the Village) 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).

Reporting Entity

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The Village has not identified any organizations that meet this criteria.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the Village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund that met the 10% test is at least 5% of the corresponding total for all governmental funds combined.
- c. In addition, any other governmental fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

General Fund

General Fund accounts for the Village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Debt Service Fund

Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TIF debt.

Capital Projects Fund

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

The Village reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

General Government	Fire
Police	Public Works
Health	Library
July 4th Activities	COVID Grant
ARPA	Communicable Diseases
Maternal Child Health	Immunization Grant
Enhance COVID Detection	COVID Vaccine Grant
PHEP Workforce Grant	

Capital Projects Funds

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.

Special Assessments	Equipment Replacement
Computer Replacement	Stormwater
Sewer Rehab	Tax Incremental Financing (TIF) District No. 4

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

In addition, the Village reports the following fund types:

Custodial Fund

Custodial Fund is used to account for and report assets controlled by the Village and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Tax Collection Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Fiduciary Funds

Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources 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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

Investment of Village funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- 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 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.

The Village has adopted an investment policy. That policy follows the state statute for allowable investments. The Village's investment policy addresses in general terms custodial credit risk, credit risk and interest rate risk. At year end, the Village was in compliance with the investment policy. All funds throughout the year and at year-end were invested in locally approved banks and the LGIP.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2022, 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 4 for further information.

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 Milwaukee Metro Sewerage district, 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 statement of fiduciary net position.

Property tax calendar - 2022 tax roll:

Lien date and levy date	December 2022
Tax bills mailed	December 2022
Payment in full, or	January 31, 2023
First installment due	January 31, 2023
Second installment due	April 30, 2023
Third installment due	July 31, 2023
Personal property taxes in full	January 31, 2023
Tax sale, 2022 delinquent real estate taxes	October 2025

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.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost using the purchases method of accounting.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment (including right-to-use lease assets), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$25,000 for infrastructure assets and an estimated useful life in excess of 4 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 estimated acquisition value at the date of donation.

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. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Land improvements	35 Years
Machinery and equipment	4-20 Years
Infrastructure	30-65 Years

Fund Financial Statements

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.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

Compensated absences consist of accumulated sick and vacation pay earned but unused by Village employees. Under terms of employment, municipal employees are granted vacations and sick leave in varying amounts

Accrued vacations are considered to be liquidated with expendable available financial resources and are reported as a liability in both the government-wide financial statements and the fund financial statements. At December 31, 2022, the liability for accumulated vacation pay was \$141,722.

To the extent that sick leave vests, such amounts are considered to be a long-term liability, and are recorded as long-term debt in the government-wide financial statements up to the maximum amount to be paid out upon termination. Due to the long-term nature of this liability, the governmental funds do not report this liability. At December 31, 2022, the liability for accumulated sick pay was \$74,459.

Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of general obligation debt, net pension liability, other postemployment benefits and vested compensated absences.

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures.

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

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

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 debt 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 positions 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 balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances 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. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.

Village of Hales Corners

Notes to Financial Statements

December 31, 2022

- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village Board has, by resolution, adopted a financial policy authorizing the Administrator to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Village has a formal minimum fund balance policy. That policy is to maintain a working capital reserve of 25% of the general fund operating budget to provide funds for cash flow needs. At December 31, 2022, the unassigned general fund fund balance was \$2,131,638 which was 27.5% of the general fund operating budget.

See Note 4 for further information.

Pension

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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, the Village OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance, total governmental funds and net position, governmental activities as reported in the government-wide statement of net position. The details of this reconciliation include the following items.

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Land	\$ 6,029,397
Construction in progress	70,262
Land improvements	194,502
Buildings	12,102,983
Machinery and equipment	3,418,259
Infrastructure	16,260,615
Less accumulated depreciation	<u>(10,247,021)</u>
Combined adjustment for capital assets	<u>\$ 27,828,997</u>

Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net position.

General obligation debt	\$ 13,555,000
Vested compensated absences	74,459
Accrued interest	67,801
Unamortized debt premium and discount	379,953
Other post employment benefits, health	2,666,549
Other post employment benefits, life	<u>270,240</u>
Combined adjustment for long-term liabilities	<u>\$ 17,014,002</u>

3. Stewardship, Compliance and Accountability

Excess Expenditures Over Budget

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Debt Service Fund	\$ 1,293,791	\$ 1,396,465	\$ 102,674
Special Revenue Fund, Health	29,200	37,974	8,774
Special Revenue Fund, Library	68,000	70,671	2,671

The Village controls expenditures at the fund level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report.

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2022, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Special Revenue Fund - Covid Vaccine Grant	\$ 1,539	Expenditures exceeded revenue

The deficits are anticipated to be funded with future contributions, general tax revenues or long-term borrowing.

Limitations on the Village's Tax Levy

Wisconsin law limits the Village's future tax levies. Generally the Village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the Village's equalized value due to net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The Village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

4. Detailed Notes on All Funds

Deposits and Investments

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

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 4,195,119	\$ 4,364,925	Custodial Credit
LGIP	12,872,320	12,872,320	Credit
Petty cash	650	-	N/A
Total deposits and investments	<u>\$ 17,068,089</u>	<u>\$ 17,237,245</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 7,427,199		
Per statement of net position, fiduciary fund:			
Tax Collection Fund	<u>9,640,890</u>		
Total deposits and investments	<u>\$ 17,068,089</u>		

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

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 demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, 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.

As of December 31, 2022, \$4,021,327 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 4,021,327</u>
Total	<u><u>\$ 4,021,327</u></u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Village had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note 1 for further information on deposit and investment policies.

Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for \$6,262 delinquent personal property taxes.

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Governmental funds report *unavailable* or *unearned revenue* 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 *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 7,110,475	\$ -
Milwaukee County Federated Library System payments	-	67,663
Grant funds received prior to meeting eligibility requirements	<u>674,620</u>	<u>-</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 7,785,095</u>	<u>\$ 67,663</u>
Unearned revenue included in liabilities	\$ 674,620	
Unearned revenue included in deferred inflows	<u>7,110,475</u>	
Total unearned revenue for governmental funds	<u>\$ 7,785,095</u>	

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 6,029,397	\$ -	\$ -	\$ -	\$ 6,029,397
Construction in progress	101,062	-	1,078,965	1,109,765	70,262
Total capital assets not being depreciated	<u>6,130,459</u>	<u>-</u>	<u>1,078,965</u>	<u>1,109,765</u>	<u>6,099,659</u>
Capital assets being depreciated:					
Land improvements	194,502	-	-	-	194,502
Buildings	12,200,779	(97,796)	-	-	12,102,983
Machinery and equipment	3,546,163	97,796	355,915	581,615	3,418,259
Infrastructure	14,459,160	-	1,801,455	-	16,260,615
Total capital assets being depreciated	<u>30,400,604</u>	<u>-</u>	<u>2,157,370</u>	<u>581,615</u>	<u>31,976,359</u>
Total capital assets	<u>36,531,063</u>	<u>-</u>	<u>3,236,335</u>	<u>1,691,380</u>	<u>38,076,018</u>
Less accumulated depreciation for:					
Land improvements	(104,662)	-	(4,129)	-	(108,791)
Buildings	(2,992,384)	-	(230,456)	-	(3,222,840)
Machinery and equipment	(2,411,445)	-	(273,481)	374,609	(2,310,317)
Infrastructure	(4,115,382)	-	(489,691)	-	(4,605,073)
Total accumulated depreciation	<u>(9,623,873)</u>	<u>-</u>	<u>(997,757)</u>	<u>374,609</u>	<u>(10,247,021)</u>
Net capital assets being depreciated	<u>20,776,731</u>	<u>-</u>	<u>1,159,613</u>	<u>207,006</u>	<u>21,729,338</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 26,907,190</u>	<u>\$ -</u>	<u>\$ 2,238,578</u>	<u>\$ 1,316,771</u>	<u>\$ 27,828,997</u>

Adjustment: Equipment was included in buildings and reclassified to equipment.

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 38,202
Public safety	264,668
Health and human services	4,236
Public works	666,613
Library, parks and recreation	<u>24,038</u>

Total governmental activities depreciation expense \$ 997,757

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Debt Service Fund	\$ 747,725
General Fund	ARPA	152,910
Special Revenue - Health Fund	Special Revenue - COVID Vaccine Grant Fund	1,539
Special Revenue - Health Fund	Special Revenue - Maternal Child Health Fund	448
Total, fund financial statements		902,622
Less fund eliminations		<u>(902,622)</u>
Total internal balances, government-wide statement of net position		<u>\$ -</u>

All amounts are due within one year.

Interfund balances are the result of a time lag between the dates the transactions are recorded and the dates payments are made between funds which are settled on a monthly basis.

For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated.

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
			Milwaukee County Federated Library System transfer
General Fund	Special Revenue Fund - Library	\$ 67,000	
Special Revenue Fund - Immunization Grant	Special Revenue Fund - Health Fund	2,681	Transfers for grant expenditures
Special Revenue Fund - Communicable Diseases	Special Revenue Fund - Health Fund	1,932	Property tax revenue
Capital Projects Fund - Equipment Replacement	Capital Projects Fund - Stormwater	4,000	Sinking fund for equipment related to Stormwater
	Capital Projects Fund - Special Assessment	1,695	Return of collected special assessments from debt funded projects
Debt Service Fund			
Capital Projects Fund - Sewer Rehab	Capital Projects Fund	156,615	Fund projects
Capital Projects Fund - Stormwater	Capital Projects Fund	95,204	Fund projects
Capital Projects Fund - Sewer Rehab	General Fund	85,000	Support Sewer Rehab projects
Capital Projects Fund - Equipment Replacement	General Fund	13,000	Fund projects
Capital Projects Fund	Capital Projects Fund - Equipment Replacement	17,830	Fund projects
Capital Projects Fund - Equipment Replacement	General Fund	68,000	Police Squad Car Sinking fund
Capital Projects Fund	General Fund	22,000	Fund projects
Special Revenue Fund - Enhance COVID Detection	Special Revenue Fund - Health Fund	1,249	Transfers for grant expenditures
Special Revenue Fund - Communicable Diseases	Special Revenue Fund - Health Fund	257	Transfers for grant expenditures
General Fund	Special Revenue Fund - Maternal Child Health	1,257	Transfers for grant expenditures
General Fund	Special Revenue Fund - Immunization Grant	2,079	Transfers for grant expenditures
General Fund	Special Revenue Fund - Enhance COVID Detection	103,379	Transfers for grant expenditures
General Fund	Special Revenue Fund - COVID Vaccine Grant	2,014	Transfers for grant expenditures
General Fund	Special Revenue Fund - PHEP Workforce Grant	<u>28,783</u>	Transfers for grant expenditures
	Subtotal, fund financial statements	673,975	
	Less fund eliminations	<u>(673,975)</u>	
	Total transfers, government-wide statement of activities	<u>\$ -</u>	

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

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.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt (Discounts)/Premiums:	\$ 11,500,000	\$ 3,000,000	\$ 945,000	\$ 13,555,000	\$ 855,000
Bond premium	<u>254,052</u>	<u>143,047</u>	<u>17,146</u>	<u>379,953</u>	<u>-</u>
Total bonds and notes payable	<u>11,754,052</u>	<u>3,143,047</u>	<u>962,146</u>	<u>13,934,953</u>	<u>855,000</u>
Other liabilities:					
Other postemployment benefits - Health	3,057,268	236,372	627,091	2,666,549	-
Other postemployment benefits - Life	252,852	17,388	-	270,240	-
Vested Compensated Absences	<u>87,853</u>	<u>10,163</u>	<u>23,557</u>	<u>74,459</u>	<u>-</u>
Total other liabilities	<u>3,397,973</u>	<u>263,923</u>	<u>650,648</u>	<u>3,011,248</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 15,152,025</u>	<u>\$ 3,406,970</u>	<u>\$ 1,612,794</u>	<u>\$ 16,946,201</u>	<u>\$ 855,000</u>

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, 2022, was \$40,746,835. Total general obligation debt outstanding at year end was \$13,555,000.

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the Village. Debt in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2022</u>
General Obligation Debt					
GO Bond	06/07/12	04/01/31	0.5-3.0%	\$ 5,780,000	\$ 2,530,000
GO Bond	08/25/15	08/25/35	1.0-3.125	1,430,000	970,000
GO Bonds	11/05/18	11/01/38	4.0-3.25	5,300,000	4,710,000
GO Bonds	12/10/19	11/01/39	3.0-2.125	3,000,000	1,985,000
GO Notes	09/17/20	03/01/30	3.1-1.0	400,000	360,000
GO Bonds	11/17/22	11/01/32	4.75-5.0	3,000,000	<u>3,000,000</u>
Total governmental activities, general obligation debt					<u>\$ 13,555,000</u>

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 855,000	\$ 458,256
2024	875,000	437,623
2025	920,000	408,725
2026	870,000	377,922
2027	870,000	350,060
2028-2032	4,050,000	1,329,743
2033-2037	3,425,000	713,511
2038-2039	1,690,000	191,790
Total	<u>\$ 13,555,000</u>	<u>\$ 4,267,630</u>

Other Debt Information

Estimated payments of vested compensated absences and other postemployment benefits obligations are not included in the debt service requirement schedules. The compensated absences, other postemployment benefit obligations and net pension liability attributable to governmental activities will be liquidated primarily by the general fund.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2022, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 6,029,397
Construction in progress	70,262
Other capital assets, net of accumulated depreciation	21,729,338
Less long-term debt outstanding	(13,555,000)
Plus unspent capital related debt proceeds	3,718,190
Less unamortized debt premium	<u>(379,953)</u>
Total net investment in capital assets	<u>17,612,234</u>

Restricted:

Restricted for debt service	6,940
Restricted for TIF activities	61,169
Restricted for pensions	2,033,906
Restricted for other	<u>77,068</u>

Total restricted 2,179,083

Unrestricted (deficit) (688,755)

Total governmental activities net position \$ 19,102,562

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2022, include the following:

	<u>General Fund</u>	<u>General Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund Balances					
Nonspendable:					
Prepaid items	\$ 72,899	\$ -	\$ -	\$ -	\$ 72,899
Inventory	1,588	-	-	-	1,588
Delinquent personal property taxes	6,262	-	-	-	6,262
Subtotal	<u>80,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,749</u>
Restricted for:					
Debt service	-	-	74,741	-	74,741
Tax incremental financing activities	-	-	-	61,169	61,169
Police	-	-	-	2,133	2,133
Health	-	-	-	27,903	27,903
Communicable Diseases	-	-	-	963	963
Immunization Grant	-	-	-	1,317	1,317
Enhance COVID Detection	-	-	-	40,568	40,568
PHEP Workforce	-	-	-	4,184	4,184
Subtotal	<u>-</u>	<u>-</u>	<u>74,741</u>	<u>138,237</u>	<u>212,978</u>
Committed to:					
Employee health and compensation reserve	269,927	-	-	-	269,927
General capital projects	-	3,056,772	-	-	3,056,772
Equipment replacement	-	-	-	242,901	242,901
Computer replacement	-	-	-	22,945	22,945
Sewer rehab	-	-	-	325,105	325,105
Stormwater	-	-	-	141,826	141,826
Public works	-	-	-	17,949	17,949
July 4th activities	-	-	-	52,154	52,154
COVID Grant	-	-	-	35,147	35,147
ARPA	-	-	-	11,579	11,579
Library	-	-	-	57,312	57,312
Subtotal	<u>269,927</u>	<u>3,056,772</u>	<u>-</u>	<u>906,918</u>	<u>4,233,617</u>
Assigned to:					
2023 budget appropriation	207,000	-	-	-	207,000
General government	-	-	-	11,294	11,294
Fire	-	-	-	16,719	16,719
Police	-	-	-	30,798	30,798
Subtotal	<u>207,000</u>	<u>-</u>	<u>-</u>	<u>58,811</u>	<u>265,811</u>
Unassigned (deficit):	<u>2,131,638</u>	<u>-</u>	<u>-</u>	<u>(1,987)</u>	<u>2,129,651</u>
Total fund balances (deficit)	<u>\$ 2,689,314</u>	<u>\$ 3,056,772</u>	<u>\$ 74,741</u>	<u>\$ 1,101,979</u>	<u>\$ 6,922,806</u>

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

5. Other Information

Employees' Retirement System

Plan Description

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

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

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

Vesting

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

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

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:

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

Contributions

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

During the reporting period, the WRS recognized \$303,128 in contributions from the Village.

Contribution rates for the plan year reported as of December 31, 2022 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (executives & elected officials)	6.75 %	6.75 %
Protective with Social Security	6.75 %	11.75 %
Protective without Social Security	6.75 %	16.35 %

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

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

At December 31, 2022, the Village reported an asset of \$2,033,906 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the Village's proportion was 0.02523400%, which was an increase of 0.00007627% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Village recognized pension expense (revenue) of \$(184,602).

At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 3,285,673	\$ 236,932
Changes in assumptions	379,457	-
Net differences between projected and actual earnings on pension plan investments	-	4,550,019
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,352	3,769
Employer contributions subsequent to the measurement date	<u>318,282</u>	<u>-</u>
Total	<u>\$ 3,996,764</u>	<u>\$ 4,790,720</u>

\$318,282 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2023	\$ (91,140)
2024	(547,751)
2025	(240,162)
2026	(233,185)

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Actuarial Assumptions

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

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

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

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

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Long-Term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns* As of December 31, 2021			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	0.2
Real Estate	7	5.6	3
Private Equity/Debt	12	9.7	7
Total Core Fund***	115	6.6	4
Variable Fund Asset			
U.S Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

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

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

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

Village of Hales Corners

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December 31, 2022

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
Village's proportionate share of the net pension liability (asset)	<u>\$ 1,443,201</u>	<u>\$ (2,033,906)</u>	<u>\$ (4,536,777)</u>

Pension Plan Fiduciary Net Position

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

At December 31, 2022, the Village reported a payable to the pension plan of \$62,025 which represents contractually required contributions outstanding as of the end of the year.

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.

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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.

The Village has received 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 has active construction projects as of December 31, 2022. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description

The Village's defined benefit OPEB plan, Village Retiree Benefits Plan (VRBP), provides OPEB for all permanent full-time general and public safety employees of the Village. VRBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

VRBP provides healthcare benefits for retirees and their dependents. 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% and 100% of the current year premiums for a family and a single plan, respectively, for eligible retired plan members and their spouses and 75% of annual increases in subsequent years.

Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	8
Active plan members	<u>12</u>
Total	<u><u>20</u></u>

Total OPEB Liability

The Village's total OPEB liability of \$2,666,549 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	4.23%
Salary increases	2.5% per year
Healthcare cost trend rates	5.1% in 2022 and decreasing to 5.0% over 10 years
Projected Salary Increases	2.5%

The discount rate was based on 20 year tax-exempt municipal bond yield.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

Payroll growth assumption was based on the 2023 budget projection.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015-April 30, 2017.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2021	\$ 3,057,268
Changes for the year:	
Service cost	72,853
Interest	71,204
Differences between expected and actual experience	92,315
Changes in assumptions or other inputs	(558,143)
Benefit payments	(68,948)
Net changes	(390,719)
Balances at December 31, 2022	\$ 2,666,549

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Village, 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 (3.2%) or 1-percentage-point higher (5.2%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 2,935,662	\$ 2,666,549	\$ 2,433,434

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.1% decreasing to 4.1%) or 1-percentage-point higher (5.1% decreasing to 6.1%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 2,412,634	\$ 2,666,549	\$ 2,960,353

For the year ended December 31, 2022, the Village recognized OPEB revenue of \$(390,719).

Local Retiree Life Insurance Fund (LRLIF)

Plan Description

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

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at the link above.

Benefits Provided

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

Contributions

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

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

Contribution rates for the plan year reported as of December 31, 2022 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

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

Life Insurance Member Contribution Rates *For the Plan Year

<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit

During the reporting period, the LRLIF recognized \$935 in contributions from the employer.

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

At December 31, 2022, the Village reported a liability of \$270,240 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the Village's proportion was 0.04572300%, which was an decrease of 0.00024400% from its proportion measured as of December 31, 2020.

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

For the year ended December 31, 2022, the Village recognized OPEB expense of \$30,570.

At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 13,747
Net differences between projected and investment earnings on plan investments	3,516	-
Changes in actuarial assumptions	81,649	13,099
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,860	8,765
Employer contributions subsequent to the measurement date	<u>5,734</u>	<u>-</u>
Total	<u>\$ 92,759</u>	<u>\$ 35,611</u>

\$5,734 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2023	\$ 11,568
2024	11,160
2025	10,326
2026	13,193
2027	5,322
Thereafter	(155)

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Actuarial Assumptions

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

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020. Published November
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.10% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality and separation rates. The Total OPEB Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

State OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2021

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Interm Credit	45.00%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5.00%	1.82%
US Mortgages	Blommberg US MBS	50.00%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount Rate

A single discount rate of 2.17% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 2.17%, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

	<u>1% Decrease to Discount Rate (1.17%)</u>	<u>Current Discount Rate (2.17%)</u>	<u>1% Increase to Discount Rate (3.17%)</u>
Village's proportionate share of the net OPEB liability	<u>\$ 366,618</u>	<u>\$ 270,240</u>	<u>\$ 197,719</u>

Village of Hales Corners

Notes to Financial Statements
December 31, 2022

Tax Abatement

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Village through its Tax Incremental Financing District #4 has entered into tax abatement agreements with a developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TIF project plans. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid.

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 158,585	\$ 69,634	\$ 228,219
2024	147,863	60,912	208,775
2025	136,645	52,780	189,425
2026	124,901	45,264	170,165
2027	126,999	38,394	165,393
2028-2032	<u>571,083</u>	<u>79,764</u>	<u>650,847</u>
Total	<u>\$ 1,266,076</u>	<u>\$ 346,748</u>	<u>\$ 1,612,824</u>

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Hales Corners

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes	\$ 5,714,970	\$ 5,714,970	\$ 4,437,970	\$ (1,277,000)
Other taxes	723	723	782	59
Intergovernmental	947,378	947,378	939,481	(7,897)
Licenses and permits	111,770	150,770	198,014	47,244
Fines, forfeitures and penalties	163,000	163,000	163,425	425
Public charges for services	1,668,797	1,669,497	1,610,477	(59,020)
Investment income	21,200	21,250	83,442	62,192
Miscellaneous revenues	96,465	96,465	118,329	21,864
	<u>8,724,303</u>	<u>8,764,053</u>	<u>7,551,920</u>	<u>(1,212,133)</u>
Expenditures				
Current:				
General government	1,222,238	861,516	657,653	203,863
Public safety	3,793,365	4,005,365	3,929,007	76,358
Public works	2,006,341	2,050,912	1,876,730	174,182
Health and human services	173,732	161,732	256,437	(94,705)
Library, parks and recreation	525,627	681,478	677,040	4,438
	<u>7,721,303</u>	<u>7,761,003</u>	<u>7,396,867</u>	<u>364,136</u>
Excess of revenues over (under) expenditures	<u>1,003,000</u>	<u>1,003,050</u>	<u>155,053</u>	<u>(847,997)</u>
Other Financing Uses				
Transfers out	(1,475,000)	(1,475,000)	(188,000)	1,287,000
Transfers in	107,088	107,088	204,512	97,424
	<u>(1,367,912)</u>	<u>(1,367,912)</u>	<u>16,512</u>	<u>1,383,412</u>
Net change in fund balance	<u>\$ (364,912)</u>	<u>\$ (364,862)</u>	<u>171,565</u>	<u>\$ 536,427</u>
Fund Balance, Beginning			<u>2,517,749</u>	
Fund Balance, Ending			<u>\$ 2,689,314</u>	

See notes to required supplementary information

Village of Hales Corners

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

Wisconsin Retirement System

Year Ended December 31, 2022

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0.02420000 %	\$ (594,946)	\$ 2,689,180	22.12 %	102.74 %
12/31/15	0.02370000 %	385,163	2,682,739	14.36 %	98.20 %
12/31/16	0.02353849 %	194,013	2,684,261	7.23 %	99.12 %
12/31/17	0.02321416 %	(689,255)	2,573,120	26.79 %	102.93 %
12/31/18	0.02342652 %	833,442	2,679,213	31.11 %	96.45 %
12/31/19	0.02326428 %	(750,146)	2,670,711	28.09 %	102.96 %
12/31/20	0.02447126 %	(1,527,774)	3,014,559	50.68 %	105.26 %
12/31/21	0.02523400 %	(2,033,906)	3,030,634	67.11 %	106.02 %

Schedule of Employer Contributions - Wisconsin Retirement System

Year Ended December 31, 2022

Village Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 235,830	\$ 235,830	\$ -	\$ 2,689,180	8.77 %
12/31/16	223,497	223,497	-	2,682,739	8.33 %
12/31/17	235,685	235,685	-	2,573,120	9.16 %
12/31/18	244,758	244,758	-	2,679,213	9.14 %
12/31/19	248,533	248,533	-	2,670,711	9.31 %
12/31/20	301,263	301,263	-	3,014,559	9.99 %
12/31/21	304,239	304,239	-	3,030,634	10.04 %
12/31/22	318,282	318,282	-	3,204,885	9.93 %

See notes to required supplementary information

Village of Hales Corners

Schedule of Changes in the Total OPEB Liability and Related Ratios -
 Village Retiree Benefits Plan
 Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 72,853	\$ 65,788	\$ 63,711	\$ 70,422	\$ 127,919
Interest	71,204	54,129	75,060	79,748	61,647
Prior year activity	-	-	-	-	192,978
Differences between expected and actual experience	92,315	346,544	(232,596)	(347,166)	(261,979)
Changes of assumptions	(558,143)	135,255	255,355	102,490	(317,628)
Benefit payments	<u>(68,948)</u>	<u>(39,646)</u>	<u>(47,457)</u>	<u>(52,521)</u>	<u>(72,056)</u>
Net change in total OPEB liability	(390,719)	562,070	114,073	(147,027)	(269,119)
Total OPEB Liability, Beginning	<u>3,057,268</u>	<u>2,495,198</u>	<u>2,381,125</u>	<u>2,528,152</u>	<u>2,797,271</u>
Total OPEB Liability, Ending	<u>\$ 2,666,549</u>	<u>\$ 3,057,268</u>	<u>\$ 2,495,198</u>	<u>\$ 2,381,125</u>	<u>\$ 2,528,152</u>
Covered-Employee Payroll	<u>\$ 3,204,885</u>	<u>\$ 3,030,634</u>	<u>\$ 3,014,559</u>	<u>\$ 2,670,711</u>	<u>\$ 2,679,213</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	<u>83.20%</u>	<u>100.88%</u>	<u>82.77%</u>	<u>89.16%</u>	<u>94.36%</u>

Note: This schedule is to show information for 10 years.
 However, until a full 10-year trend is compiled, governments should present information for those years
 for which information is available.

Village of Hales Corners

Schedule of Employer Contributions -
Village Retiree Benefits Plan
Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually determined contribution	\$ 68,948	\$ 39,646	\$ 47,457	\$ 52,521	\$ 72,056
Contributions in relation to the contractually determined contribution	<u>68,948</u>	<u>39,646</u>	<u>47,457</u>	<u>52,521</u>	<u>72,056</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 3,204,885</u>	<u>\$ 3,030,634</u>	<u>\$ 3,014,559</u>	<u>\$ 2,670,711</u>	<u>\$ 2,679,213</u>
Contributions as a percentage of covered-employee payroll	<u>2.15%</u>	<u>1.31%</u>	<u>1.57%</u>	<u>1.97%</u>	<u>2.69%</u>

Note: This schedule is to show information for 10 years.
However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See notes to required supplementary information

Village of Hales Corners

Schedules of Proportionate Share of the Net OPEB Liability -

Local Retiree Life Insurance Fund

Year Ended December 31, 2022

<u>Plan Fiscal Year End</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
12/31/17	0.04733900 %	\$ 142,423	\$ 1,990,740	7.15 %	44.81 %
12/31/18	0.04888870 %	126,145	2,212,000	5.70 %	48.69 %
12/31/19	0.04752310 %	201,119	2,144,000	9.38 %	37.58 %
12/31/20	0.04596700 %	252,852	2,171,000	11.65 %	31.36 %
12/31/21	0.04572300 %	270,240	2,497,000	10.82 %	29.57 %

Schedule of Employer Contributions - Local Retiree Life Insurance Fund

Year Ended December 31, 2022

<u>Village Fiscal Year End</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/18	\$ 18,083	\$ 18,083	\$ -	\$ 2,679,213	0.67 %
12/31/19	6,961	6,961	-	2,670,711	0.26 %
12/31/20	6,495	6,495	-	3,014,559	0.22 %
12/31/21	5,326	5,326	-	3,030,634	0.18 %
12/31/22	5,734	5,734	-	3,204,885	0.18 %

See notes to required supplementary information

Village of Hales Corners

Notes to Required Supplementary Information
Year Ended December 31, 2022

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented include any amendments made. The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds Village Board action.

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.

Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

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

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

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

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

Village of Hales Corners

Notes to Required Supplementary Information
December 31, 2022

Local Retiree Life Insurance Fund

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

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

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

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

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

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

Village Retiree Benefit Plans

Changes in benefit terms. There were no changes of benefit terms.

Changes in assumptions. The assumption changes that were used to measure the December 31, 2022 total OPEB liabilities, including the following:

- Increasing the discount rate from 1.70% to 4.23%
- Decreasing the average retirement age from 57 years to 55 years

SUPPLEMENTARY INFORMATION

Village of Hales Corners

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes:				
Property taxes	\$ 5,714,970	\$ 5,714,970	\$ 4,437,970	\$ (1,277,000)
Other taxes	723	723	782	59
Total taxes	<u>5,715,693</u>	<u>5,715,693</u>	<u>4,438,752</u>	<u>(1,276,941)</u>
Licenses:				
Liquor and malt beverage	14,600	14,600	24,380	9,780
Operators'	2,000	2,000	6,940	4,940
Cigarette	1,400	1,400	1,500	100
Dog	3,200	3,200	2,655	(545)
Amusement device and peddler	5,000	5,000	2,445	(2,555)
Dance hall	60	60	60	-
Food establishment	18,000	18,000	23,621	5,621
Massage and tattoo	-	-	3,239	3,239
Swimming pool	910	910	1,000	90
Total licenses	<u>45,170</u>	<u>45,170</u>	<u>65,840</u>	<u>20,670</u>
Permits:				
Building	41,000	70,000	70,269	269
Electric	14,000	24,000	36,052	12,052
Plumbing	7,000	7,000	22,506	15,506
Sign	600	600	1,582	982
Culvert	3,000	3,000	975	(2,025)
Erosion	300	300	300	-
Fire department	700	700	490	(210)
Total permits	<u>66,600</u>	<u>105,600</u>	<u>132,174</u>	<u>26,574</u>
Fines and forfeitures	<u>163,000</u>	<u>163,000</u>	<u>163,425</u>	<u>425</u>

Village of Hales Corners

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Public charges for services:				
Property search requests	\$ 1,000	\$ 1,000	\$ 1,572	\$ 572
Village hall copy fees	1,000	1,000	917	(83)
Lease revenue	97,541	97,541	98,782	1,241
Board of appeals	400	400	590	190
Planning commission fees	2,000	2,000	4,150	2,150
License publication fees	400	400	300	(100)
Fire department fees	23,000	23,000	23,847	847
Fire department highway response fees	2,000	2,000	356	(1,644)
Weights and measures	2,900	2,900	2,130	(770)
Ambulance fees	297,000	297,000	261,297	(35,703)
Refuse collection charges	386,923	386,923	386,748	(175)
Local sewer service charges	451,053	451,053	438,385	(12,668)
Metro sewer connection charge	305,930	305,930	304,945	(985)
Building board fees	-	-	50	50
Health department fees	-	-	533	533
Library fines	6,650	6,650	7,399	749
Library copy fees	1,500	1,500	2,120	620
Recreation department fees	89,500	90,200	76,356	(13,844)
	<u>1,668,797</u>	<u>1,669,497</u>	<u>1,610,477</u>	<u>(59,020)</u>
Total public charges for services				
Intergovernmental:				
Shared taxes from state	236,665	236,665	230,123	(6,542)
State aid, highways	613,248	613,248	611,550	(1,698)
State aid, fire insurance	29,000	29,000	28,323	(677)
State aid, video provider	21,406	21,406	21,407	1
State aid, personal property	19,059	19,059	19,059	-
State aid, police	5,000	5,000	2,487	(2,513)
State aid, public safety	-	-	6,543	6,543
Bots enforcement/safety grant	3,000	3,000	-	(3,000)
Recycling grant	20,000	20,000	19,989	(11)
	<u>947,378</u>	<u>947,378</u>	<u>939,481</u>	<u>(7,897)</u>
Total intergovernmental				

Village of Hales Corners

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Investment income:				
General fund investments	\$ 4,500	\$ 4,550	\$ 21,322	\$ 16,772
Tax account investments	-	-	48,767	48,767
Delinquent taxes	15,000	15,000	10,709	(4,291)
Sewer charge penalties	1,700	1,700	2,644	944
Total interest income	<u>21,200</u>	<u>21,250</u>	<u>83,442</u>	<u>62,192</u>
Miscellaneous revenues:				
Miscellaneous general revenue	10,465	10,465	23,460	12,995
Cable television franchise fee	65,000	65,000	53,438	(11,562)
Telephone franchise fee	21,000	21,000	15,582	(5,418)
League insurance rebate	-	-	25,849	25,849
Total other revenues	<u>96,465</u>	<u>96,465</u>	<u>118,329</u>	<u>21,864</u>
Total general fund revenues	<u>\$ 8,724,303</u>	<u>\$ 8,764,053</u>	<u>\$ 7,551,920</u>	<u>\$ (1,212,133)</u>

Village of Hales Corners

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures				
General government:				
Legislative	\$ 98,353	\$ 89,893	\$ 86,459	\$ 3,434
Municipal court	79,011	85,311	85,023	288
Administration	365,962	368,122	368,118	4
Maintenance and sundry	104,173	115,173	118,053	(2,880)
Contingency	574,739	203,017	-	203,017
Total general government	<u>1,222,238</u>	<u>861,516</u>	<u>657,653</u>	<u>203,863</u>
Public safety:				
Police department	2,531,232	2,704,232	2,626,041	78,191
Fire department	1,140,767	1,140,767	1,142,758	(1,991)
Inspection, general	121,366	160,366	160,208	158
Total public safety	<u>3,793,365</u>	<u>4,005,365</u>	<u>3,929,007</u>	<u>76,358</u>
Public works:				
Engineering, sanitation, administration	1,189,799	1,245,370	1,153,500	91,870
Maintenance	816,542	805,542	723,230	82,312
Total public works	<u>2,006,341</u>	<u>2,050,912</u>	<u>1,876,730</u>	<u>174,182</u>
Health and human services:				
Health	173,732	161,732	256,437	(94,705)
Total health and human services	<u>173,732</u>	<u>161,732</u>	<u>256,437</u>	<u>(94,705)</u>
Library, parks and recreation:				
Library	449,887	605,038	600,684	4,354
Recreation	75,740	76,440	76,356	84
Total library, parks and recreation	<u>525,627</u>	<u>681,478</u>	<u>677,040</u>	<u>4,438</u>
Total general fund expenditures	<u>\$ 7,721,303</u>	<u>\$ 7,761,003</u>	<u>\$ 7,396,867</u>	<u>\$ 364,136</u>

Village of Hales Corners

Combining Balance Sheet -

Nonmajor Funds

December 31, 2022

	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash and investments	\$ 793,946	\$ 1,100,259	\$ 1,894,205
Taxes receivable	294,474	-	294,474
Accounts (net)	-	35,304	35,304
Due from other funds	-	1,987	1,987
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,088,420</u>	<u>\$ 1,137,550</u>	<u>\$ 2,225,970</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Due to other funds	\$ -	\$ 154,897	\$ 154,897
Unearned revenues	-	674,620	674,620
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>829,517</u>	<u>829,517</u>
Deferred Inflows of Resources			
Unearned property taxes	294,474	-	294,474
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows	<u>294,474</u>	<u>-</u>	<u>294,474</u>
Fund Balances			
Restricted	61,169	77,068	138,237
Committed	732,777	174,141	906,918
Assigned	-	58,811	58,811
Unassigned (deficit)	-	(1,987)	(1,987)
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>793,946</u>	<u>308,033</u>	<u>1,101,979</u>
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources and fund balances	<u>\$ 1,088,420</u>	<u>\$ 1,137,550</u>	<u>\$ 2,225,970</u>

Village of Hales Corners

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Nonmajor Funds

Year Ended December 31, 2022

	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Taxes	\$ 254,472	\$ -	\$ 254,472
Public charges for services	91,550	69,534	161,084
Intergovernmental	-	428,777	428,777
Investment income	8,639	11,972	20,611
Miscellaneous revenue	16,797	31,354	48,151
	<u>371,458</u>	<u>541,637</u>	<u>913,095</u>
Total revenues			
Expenditures			
Current:			
General government	-	45,284	45,284
Public safety	-	143,908	143,908
Public works	70,388	14,989	85,377
Health and human services	-	61,088	61,088
Library, parks and recreation	-	51,050	51,050
Conservation and development	169,937	-	169,937
Capital outlay	332,344	-	332,344
Debt service:			
Interest and fiscal charges	78,972	-	78,972
	<u>651,641</u>	<u>316,319</u>	<u>967,960</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(280,183)</u>	<u>225,318</u>	<u>(54,865)</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	140,263	-	140,263
Transfers out	(23,525)	(210,631)	(234,156)
Transfers in	421,819	6,119	427,938
	<u>538,557</u>	<u>(204,512)</u>	<u>334,045</u>
Total other financing sources (uses)			
Net changes fund balances	258,374	20,806	279,180
Fund Balances, Beginning	<u>535,572</u>	<u>287,227</u>	<u>822,799</u>
Fund Balances, Ending	<u>\$ 793,946</u>	<u>\$ 308,033</u>	<u>\$ 1,101,979</u>

Village of Hales Corners

Combining Balance Sheet -
Capital Projects Nonmajor Funds
December 31, 2022

	<u>Special Assessments</u>	<u>Equipment Replacement</u>	<u>Computer Replacement</u>	<u>TIF District No. 4</u>	<u>Sewer Rehab</u>	<u>Stormwater</u>	<u>Total Capital Projects Funds</u>
Assets							
Cash and investments	\$ -	\$ 242,901	\$ 22,945	\$ 61,169	\$ 325,105	\$ 141,826	\$ 793,946
Taxes receivable	-	-	-	294,474	-	-	294,474
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 242,901</u>	<u>\$ 22,945</u>	<u>\$ 355,643</u>	<u>\$ 325,105</u>	<u>\$ 141,826</u>	<u>\$ 1,088,420</u>
Deferred Inflows of Resources and Fund Balances							
Deferred Inflows of Resources							
Unearned property taxes	\$ -	\$ -	\$ -	\$ 294,474	\$ -	\$ -	\$ 294,474
Total deferred inflows of resources	-	-	-	294,474	-	-	294,474
Fund Balances							
Restricted	-	-	-	61,169	-	-	61,169
Committed	-	242,901	22,945	-	325,105	141,826	732,777
Total fund balances	-	242,901	22,945	61,169	325,105	141,826	793,946
Total deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 242,901</u>	<u>\$ 22,945</u>	<u>\$ 355,643</u>	<u>\$ 325,105</u>	<u>\$ 141,826</u>	<u>\$ 1,088,420</u>

Village of Hales Corners

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Capital Projects Nonmajor Funds
 Year Ended December 31, 2022

	<u>Special Assessments</u>	<u>Equipment Replacement</u>	<u>Computer Replacement</u>	<u>TIF District No. 4</u>	<u>Sewer Rehab</u>	<u>Stormwater</u>	<u>Total Capital Projects Funds</u>
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ 254,472	\$ -	\$ -	\$ 254,472
Public charges for services	-	-	-	-	-	91,550	91,550
Miscellaneous revenue	-	16,797	-	-	-	-	16,797
Investment income	-	2,637	249	666	3,542	1,545	8,639
Total revenues	<u>-</u>	<u>19,434</u>	<u>249</u>	<u>255,138</u>	<u>3,542</u>	<u>93,095</u>	<u>371,458</u>
Expenditures							
Current:							
Public works	-	-	-	-	8,438	61,950	70,388
Conservation and development	-	-	-	169,937	-	-	169,937
Capital outlay	-	261,997	9,110	-	34,909	26,328	332,344
Debt service:							
Interest and fiscal charges	-	-	-	78,972	-	-	78,972
Total expenditures	<u>-</u>	<u>261,997</u>	<u>9,110</u>	<u>248,909</u>	<u>43,347</u>	<u>88,278</u>	<u>651,641</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(242,563)</u>	<u>(8,861)</u>	<u>6,229</u>	<u>(39,805)</u>	<u>4,817</u>	<u>(280,183)</u>
Other Financing Sources (Uses)							
Proceeds from sale of capital assets	-	140,263	-	-	-	-	140,263
Transfers out	(1,695)	(17,830)	-	-	-	(4,000)	(23,525)
Transfers in	-	85,000	-	-	241,615	95,204	421,819
Total other financing sources (uses)	<u>(1,695)</u>	<u>207,433</u>	<u>-</u>	<u>-</u>	<u>241,615</u>	<u>91,204</u>	<u>538,557</u>
Net changes fund balances	<u>(1,695)</u>	<u>(35,130)</u>	<u>(8,861)</u>	<u>6,229</u>	<u>201,810</u>	<u>96,021</u>	<u>258,374</u>
Fund Balances, Beginning	<u>1,695</u>	<u>278,031</u>	<u>31,806</u>	<u>54,940</u>	<u>123,295</u>	<u>45,805</u>	<u>535,572</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ 242,901</u>	<u>\$ 22,945</u>	<u>\$ 61,169</u>	<u>\$ 325,105</u>	<u>\$ 141,826</u>	<u>\$ 793,946</u>

Village of Hales Corners

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 General Capital Projects Fund by Department
 Year Ended December 31, 2022

	<u>General Government</u>	<u>Fire</u>	<u>Police</u>	<u>Public Works</u>	<u>Library</u>	<u>Conservation and Development</u>	<u>Total</u>
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	38,505	-	-	-	-	-	38,505
Total revenues	<u>38,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,505</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-	-
Capital outlay	-	-	-	1,727,170	-	-	1,727,170
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,727,170</u>	<u>-</u>	<u>-</u>	<u>1,727,170</u>
Excess (deficiency) of revenues over expenditures	<u>38,505</u>	<u>-</u>	<u>-</u>	<u>(1,727,170)</u>	<u>-</u>	<u>-</u>	<u>(1,688,665)</u>
Other Financing Sources (Uses)							
Debt issued	-	-	-	3,000,000	-	-	3,000,000
Transfers out	(251,819)	-	-	-	-	-	(251,819)
Transfers in	39,830	-	-	-	-	-	39,830
Total other financing sources (uses)	<u>(211,989)</u>	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>2,788,011</u>
Net changes fund balances	(173,484)	-	-	1,272,830	-	-	1,099,346
Fund Balances (Deficit), Beginning	<u>130,133</u>	<u>(21,792)</u>	<u>-</u>	<u>1,905,834</u>	<u>(235)</u>	<u>(56,514)</u>	<u>1,957,426</u>
Fund Balances (Deficit), Ending	<u>\$ (43,351)</u>	<u>\$ (21,792)</u>	<u>\$ -</u>	<u>\$ 3,178,664</u>	<u>\$ (235)</u>	<u>\$ (56,514)</u>	<u>\$ 3,056,772</u>

Village of Hales Corners

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Equipment Replacement Funds
 Year Ended December 31, 2022

	<u>General Government</u>	<u>Fire</u>	<u>Police</u>	<u>Inspection</u>	<u>Public Works</u>	<u>Library</u>	<u>Total Equipment Replacement Funds</u>
Revenues							
Miscellaneous revenue	\$ -	\$ -	\$ 16,797	\$ -	\$ -	\$ -	\$ 16,797
Investment income	2,637	-	-	-	-	-	2,637
Total revenues	<u>2,637</u>	<u>-</u>	<u>16,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,434</u>
Expenditures							
Capital outlay	12,987	155,377	68,495	-	23,836	1,302	261,997
Total expenditures	<u>12,987</u>	<u>155,377</u>	<u>68,495</u>	<u>-</u>	<u>23,836</u>	<u>1,302</u>	<u>261,997</u>
Excess (deficiency) of revenues over expenditures	<u>(10,350)</u>	<u>(155,377)</u>	<u>(51,698)</u>	<u>-</u>	<u>(23,836)</u>	<u>(1,302)</u>	<u>(242,563)</u>
Other Financing Sources							
Proceeds from sale of capital assets	-	140,263	-	-	-	-	140,263
Transfers out	-	-	-	-	(17,830)	-	(17,830)
Transfers in	-	-	81,000	-	4,000	-	85,000
Total other financing sources	<u>-</u>	<u>140,263</u>	<u>81,000</u>	<u>-</u>	<u>(13,830)</u>	<u>-</u>	<u>207,433</u>
Net changes fund balances	(10,350)	(15,114)	29,302	-	(37,666)	(1,302)	(35,130)
Fund Balances (Deficit), Beginning	<u>86,387</u>	<u>132,103</u>	<u>(54,215)</u>	<u>-</u>	<u>100,835</u>	<u>12,921</u>	<u>278,031</u>
Fund Balances (Deficit), Ending	<u>\$ 76,037</u>	<u>\$ 116,989</u>	<u>\$ (24,913)</u>	<u>\$ -</u>	<u>\$ 63,169</u>	<u>\$ 11,619</u>	<u>\$ 242,901</u>

Village of Hales Corners

Combining Balance Sheet -
Special Revenue Nonmajor Funds
Year Ended December 31, 2022

	<u>General Government</u>	<u>Fire</u>	<u>Police</u>	<u>Public Works</u>	<u>Health</u>	<u>Library</u>	<u>July 4th Activities</u>	<u>Covid Grant Fund</u>
Assets								
Cash and investments	\$ 11,294	\$ 31,486	\$ 58,596	\$ 17,949	\$ 25,916	\$ 57,312	\$ 52,154	\$ 35,147
Accounts (net)	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	1,987	-	-	-
Total assets	<u>\$ 11,294</u>	<u>\$ 31,486</u>	<u>\$ 58,596</u>	<u>\$ 17,949</u>	<u>\$ 27,903</u>	<u>\$ 57,312</u>	<u>\$ 52,154</u>	<u>\$ 35,147</u>
Liabilities and Fund Balances (Deficit)								
Liabilities								
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenues	-	14,767	25,665	-	-	-	-	-
Total liabilities	-	14,767	25,665	-	-	-	-	-
Fund Balances (Deficit)								
Restricted	-	-	2,133	-	27,903	-	-	-
Committed	-	-	-	17,949	-	57,312	52,154	35,147
Assigned	11,294	16,719	30,798	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>11,294</u>	<u>16,719</u>	<u>32,931</u>	<u>17,949</u>	<u>27,903</u>	<u>57,312</u>	<u>52,154</u>	<u>35,147</u>
Total deferred inflows of resources and fund balances (deficit)	<u>\$ 11,294</u>	<u>\$ 31,486</u>	<u>\$ 58,596</u>	<u>\$ 17,949</u>	<u>\$ 27,903</u>	<u>\$ 57,312</u>	<u>\$ 52,154</u>	<u>\$ 35,147</u>

Village of Hales Corners

Combining Balance Sheet -
Special Revenue Nonmajor Funds
Year Ended December 31, 2022

	<u>ARPA</u>	<u>Communicable Diseases</u>	<u>Maternal Child Health</u>	<u>Immunization Grant</u>	<u>Enhance Covid Detection</u>	<u>Covid Vaccine Grant</u>	<u>PHEP Workforce Grant</u>	<u>Total Special Revenue Funds</u>
Assets								
Cash and investments	\$ 798,677	\$ 963	\$ -	\$ 1,317	\$ 5,264	\$ -	\$ 4,184	\$ 1,100,259
Accounts (net)	-	-	-	-	35,304	-	-	35,304
Due from other funds	-	-	-	-	-	-	-	1,987
Total assets	<u>\$ 798,677</u>	<u>\$ 963</u>	<u>\$ -</u>	<u>\$ 1,317</u>	<u>\$ 40,568</u>	<u>\$ -</u>	<u>\$ 4,184</u>	<u>\$ 1,137,550</u>
Liabilities and Fund Balances (Deficit)								
Liabilities								
Due to other funds	152,910	-	448	-	-	1,539	-	154,897
Unearned revenues	<u>634,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>674,620</u>
Total liabilities	<u>787,098</u>	<u>-</u>	<u>448</u>	<u>-</u>	<u>-</u>	<u>1,539</u>	<u>-</u>	<u>829,517</u>
Fund Balances (Deficit)								
Restricted	-	963	-	1,317	40,568	-	4,184	77,068
Committed	11,579	-	-	-	-	-	-	174,141
Assigned	-	-	-	-	-	-	-	58,811
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>(448)</u>	<u>-</u>	<u>-</u>	<u>(1,539)</u>	<u>-</u>	<u>(1,987)</u>
Total fund balances (deficit)	<u>11,579</u>	<u>963</u>	<u>(448)</u>	<u>1,317</u>	<u>40,568</u>	<u>(1,539)</u>	<u>4,184</u>	<u>308,033</u>
Total deferred inflows of resources and fund balances (deficit)	<u>\$ 798,677</u>	<u>\$ 963</u>	<u>\$ -</u>	<u>\$ 1,317</u>	<u>\$ 40,568</u>	<u>\$ -</u>	<u>\$ 4,184</u>	<u>\$ 1,137,550</u>

Village of Hales Corners

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Special Revenue Nonmajor Funds
 Year Ended December 31, 2022

	General Government	Fire	Police	Public Works	Health	Library	July 4th Activities	Covid Grant Funds
Revenues								
Public charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,534	\$ -	\$ -
Intergovernmental	-	21,909	20,648	-	21,691	-	-	9,554
Miscellaneous revenue	-	-	11,127	-	102	-	20,125	-
Investment income	505	-	-	-	-	-	-	-
Total revenues	505	21,909	31,775	-	21,793	69,534	20,125	9,554
Expenditures								
Current:								
General government	3,170	-	-	-	-	-	-	-
Public safety	-	15,367	40,416	-	-	-	-	-
Public works	-	-	-	14,277	-	-	-	-
Health and human services	-	-	-	-	37,974	-	-	6,140
Library, parks and recreation	-	-	-	-	-	3,671	19,779	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	3,170	15,367	40,416	14,277	37,974	3,671	19,779	6,140
Excess (deficiency) of revenues over expenditures	(2,665)	6,542	(8,641)	(14,277)	(16,181)	65,863	346	3,414
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	1,506	-	-	-
Transfers out	-	-	-	-	(4,613)	(67,000)	-	-
Total other financing sources (uses)	-	-	-	-	(3,107)	(67,000)	-	-
Net changes fund balances	(2,665)	6,542	(8,641)	(14,277)	(19,288)	(1,137)	346	3,414
Fund Balances, Beginning	13,959	10,177	41,572	32,226	47,191	58,449	51,808	31,733
Fund Balances (Deficit), Ending	\$ 11,294	\$ 16,719	\$ 32,931	\$ 17,949	\$ 27,903	\$ 57,312	\$ 52,154	\$ 35,147

Village of Hales Corners

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Special Revenue Nonmajor Funds
 Year Ended December 31, 2022

	ARPA	Communicable Diseases	Maternal Child Health	Immunization Grant	Enhance Covid Detection	Covid Vaccine Grant	PHEP Workforce Grant	Total Special Revenue Funds
Revenues								
Public charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,534
Intergovernmental	157,839	-	809	715	157,480	492	37,640	428,777
Miscellaneous revenue	-	-	-	-	-	-	-	31,354
Investment income	11,467	-	-	-	-	-	-	11,972
Total revenues	169,306	-	809	715	157,480	492	37,640	541,637
Expenditures								
Current:								
General government	42,114	-	-	-	-	-	-	45,284
Public safety	88,125	-	-	-	-	-	-	143,908
Public works	-	712	-	-	-	-	-	14,989
Health and human services	-	-	-	-	12,284	17	4,673	61,088
Library, parks and recreation	27,600	-	-	-	-	-	-	51,050
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	157,839	712	-	-	12,284	17	4,673	316,319
Excess (deficiency) of revenues over expenditures	11,467	(712)	809	715	145,196	475	32,967	225,318
Other Financing Sources (Uses)								
Transfers in	-	1,932	-	2,681	-	-	-	6,119
Transfers out	-	(257)	(1,257)	(2,079)	(104,628)	(2,014)	(28,783)	(210,631)
Total other financing sources (uses)	-	1,675	(1,257)	602	(104,628)	(2,014)	(28,783)	(204,512)
Net changes fund balances	11,467	963	(448)	1,317	40,568	(1,539)	4,184	20,806
Fund Balances, Beginning	112	-	-	-	-	-	-	287,227
Fund Balances (Deficit), Ending	\$ 11,579	\$ 963	\$ (448)	\$ 1,317	\$ 40,568	\$ (1,539)	\$ 4,184	\$ 308,033

OTHER INFORMATION

Village of Hales Corners

Schedule of General Obligation Long-Term Debt - Principal Payments

December 31, 2022

<u>Year</u>	<u>2012 General Obligation Bond</u>	<u>2015 General Obligation Bond</u>	<u>2018 General Obligation Bond</u>	<u>2019 General Obligation Bond</u>	<u>2020 General Obligation Bond</u>	<u>2022 General Obligation Bond</u>	<u>Total</u>
2023	\$ 310,000	\$ 75,000	\$ 185,000	\$ 105,000	\$ 40,000	\$ 140,000	\$ 855,000
2024	320,000	75,000	190,000	105,000	40,000	145,000	875,000
2025	335,000	75,000	200,000	105,000	45,000	160,000	920,000
2026	350,000	70,000	200,000	105,000	45,000	100,000	870,000
2027	325,000	75,000	215,000	105,000	45,000	105,000	870,000
2028-2032	890,000	390,000	1,485,000	575,000	145,000	565,000	4,050,000
2033-2037	-	210,000	1,900,000	625,000	-	690,000	3,425,000
2038-2039	-	-	335,000	260,000	-	1,095,000	1,690,000
	<u>\$ 2,530,000</u>	<u>\$ 970,000</u>	<u>\$ 4,710,000</u>	<u>\$ 1,985,000</u>	<u>\$ 360,000</u>	<u>\$ 3,000,000</u>	<u>\$ 13,555,000</u>

Village of Hales Corners

Schedule of General Obligation Long-Term Debt - Interest Payments

December 31, 2022

<u>Year</u>	<u>2012 General Obligation Bond</u>	<u>2015 General Obligation Bond</u>	<u>2018 General Obligation Bond</u>	<u>2019 General Obligation Bond</u>	<u>2020 General Obligation Bond</u>	<u>2022 General Obligation Bond</u>	<u>Total</u>
2023	\$ 59,335	\$ 28,612	\$ 174,356	\$ 51,231	\$ 7,300	\$ 137,421	\$ 458,255
2024	52,560	27,113	166,956	48,081	6,100	136,813	437,623
2025	45,188	24,862	159,356	44,933	4,825	129,563	408,727
2026	37,135	22,613	151,356	41,781	3,475	121,562	377,922
2027	28,872	20,513	143,356	38,631	2,125	116,562	350,059
2028-2032	37,205	66,862	574,769	146,869	2,225	501,813	1,329,743
2033-2037	-	13,125	266,905	77,343	-	356,137	713,510
2038-2039	-	-	12,229	9,750	-	169,812	191,791
	<u>\$ 260,295</u>	<u>\$ 203,700</u>	<u>\$ 1,649,283</u>	<u>\$ 458,619</u>	<u>\$ 26,050</u>	<u>\$ 1,669,683</u>	<u>\$ 4,267,630</u>