

Village of Hales Corners

Financial Statements and
Supplementary Information

December 31, 2024

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, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to 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, 2024 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.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

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 schedules as listed in the table of contents 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 9, 2025

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, 2024. 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 1 and 2 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 3 through 5 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 47 to 50, 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 8 through 39 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 40 through 46 of this report. Supplementary information can be found on pages 47 through 60 of this report. Other information can be found on pages 61 and 62.

Government-wide Financial Analysis and Highlights

As of the year ended December 31, 2024, Village assets exceeded liabilities by \$21,908,361. Of this amount; \$208,878 was restricted; \$19,578,659 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 surplus of \$2,120,824 due to financial market activity. Overall net position increased by \$1,116,408 as of December 31, 2024.

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>2024</u>	<u>2023</u>
Assets:		
Capital assets	\$ 29,593,469	\$ 28,800,183
Other assets	15,434,289	15,008,193
Total assets	<u>45,027,758</u>	<u>43,808,376</u>
Deferred Outflows of Resources	<u>3,604,428</u>	<u>5,330,332</u>
Liabilities and Net Position:		
Liabilities:		
Long-term liabilities	15,267,752	16,514,729
Other liabilities	1,748,556	1,574,893
Total liabilities	<u>17,016,308</u>	<u>18,089,622</u>
Deferred Inflows of Resources	<u>9,707,517</u>	<u>10,257,133</u>
Net Position:		
Invested in capital assets, net of related debt	19,578,659	18,022,677
Restricted	208,878	287,135
Unrestricted	2,120,824	2,482,141
Total net position	<u>\$ 21,908,361</u>	<u>\$ 20,791,953</u>

Government-wide Financial Analysis and Highlights (continued)

Total net position increased by \$1,116,408 in 2024. The increase is primarily related to ambulance fees and interest earnings which exceeded original adopted amounts by \$458,873, decreases in pension obligations relative to actuarial adjustments and increases in fixed assets capitalized in 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:	2024	2023
Program:		
Charges for services	\$ 2,500,644	\$ 2,537,303
Operating grants and contributions	1,093,230	1,094,259
Capital grants and contributions	183	72,190
General:		
Taxes	6,171,179	6,195,595
Other	1,173,038	1,907,044
Total revenues	<u>10,938,274</u>	<u>11,806,391</u>
Expenses:		
General government	706,726	870,423
Public safety	4,175,518	4,193,932
Public works	3,003,250	2,838,620
Health and human services	358,000	715,458
Culture and recreation	762,467	799,309
Conservation and development	295,006	180,544
Interest on long-term debt	520,899	518,714
Total expenses	<u>9,821,866</u>	<u>10,117,000</u>
Change in net position	<u>1,116,408</u>	<u>1,689,391</u>
Net position, beginning of year	20,791,953	19,102,562
Net position, end of year	<u>\$ 21,908,361</u>	<u>\$ 20,791,953</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 \$7,270,513. This amount represents the Village's major funds: General Fund - \$2,952,640, General Capital Projects Fund – \$2,542,226 and Debt Service Fund - \$76,694 as well as Other Governmental Funds - \$1,698,953.

The General Fund balance of \$2,952,640 is comprised of \$652,235 that is considered committed, assigned or non-spendable and \$2,300,405 unassigned. The General Fund balance increased during the year by \$144,906.

The General Capital Projects Fund has a fund balance of \$2,542,226, a decrease from the 2023 fund balance of \$247,373. The 2023 Bond Proceeds remaining totaled \$1,346,778 at year end 2024. In December 2024, the Village issued \$1,185,000 in General Obligation Notes to fund the replacement of a fire engine and replacement of the parking lot at the Fire Station. No funds had been expended for the engine or parking lot as of the close of 2024.

The Debt Service Fund has a fund balance of \$76,694, a decrease from 2023 fund balance of \$27,432. The decrease is attributable to the planned use of reserves to support principal and interest expenditures to reduce tax levy reliance.

The non-major funds have a balance of \$1,698,953 compared to a balance of \$1,468,552 in 2023. The increase is attributable to transfers from General Fund interest surplus to fund 2025 capital projects. Funds were transferred to the Equipment Replacement Fund of \$150,000 for future squad car needs, \$85,100 for replacement of Public Works vehicles and equipment, \$95,000 for a known 911 system upgrade project slated for 2026 and \$80,000 for future Economic Development projects.

General Fund Budgetary Highlights

The Village Board amended the 2024 originally adopted General Fund operating budget as follows:

		Increase (Decrease)
Current expenditures:		
General government	\$	17,500
Contingency		(32,500)
Transfers out		15,000
Net Change	\$	<u>-</u>

The amendments were related to an increase funding for a Single Audit of \$17,000 required by the Federal Government for receipts and expenditures of grants greater than \$750,000 as part of the 2023 Audit Program and transferring \$15,000 to the Public Works Equipment Replacement Fund to purchase deicing equipment in response to a January storm which resulted in severe icing conditions.

Capital Asset and Debt Administration

Capital Assets

The Village's investment in capital assets as of December 31, 2024 is \$29,593,849 (net of accumulated depreciation), and major categories comprising this balance are summarized as follows:

	<u>2024</u>	<u>2023</u>
Land & Construction In Progress	\$ 7,344,572	\$ 6,155,987
Land improvements	247,390	242,393
Buildings	12,880,203	12,787,026
Equipment and furnishings	4,006,240	3,806,568
Infrastructure	17,304,835	17,010,183
Total	41,783,240	40,002,158
Accumulated depreciation	(12,189,771)	(11,201,975)
Net capital assets	\$ 29,593,469	\$ 28,800,183

Construction in progress, totaling \$1,272,675 includes 2024 road improvement projects (\$1,139,787) that were incomplete at year end and equipment for the Police & Fire Department that were in fabrication at the end of 2024.

Long-term Debt

As of December 31, 2024 the Village had total debt outstanding of \$13,823,165. The Village previous bonds and notes total \$11,825,000, a 2024 GO Note issued in December 2024 for \$1,185,000 and a Tax Incremental District No. 4 Development Note of \$813,165.

Economic Factors Affecting the Future

Uncertainty in the funding received to support Local Health Offices from the Federal Government are anticipated to reduce grants by approximately \$158,000 in 2025. The Village has taken steps to mitigate the loss of this funding in 2025. Due to local tax levy restrictions and expenditure restraint limitations, the Village would be unable to fund the shortfall from current or future tax levies. This is an ongoing matter in the current 2025 Fiscal Year and anticipation of clarity on what funds are available from other than tax levy sources should be known during the development of the 2026 Budget.

State restrictions on local tax levies for operating purposes will limit revenue capacity through 2025. The State of Wisconsin adopted Act 12 in June, 2023 which allowed sales tax revenues as part of the shared revenue formula for which the Village will receive \$203,894 in 2025. This is an increase in State funding which had been stagnant since 2004. Debt service is exempt from the state levy limits, and will not affect the Village's borrowing capacity.

Property tax levied in 2024 to support 2025 Village operations increased by 2.3% over 2023 levies. Property values due to net new construction increased by \$9,566,800 (1.03%) in 2024. The increase was primarily due to the completion of the Forest Ridge Senior Community complex. 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 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 7. 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, 2024

	Governmental Activities
Assets	
Cash and investments	\$ 7,120,285
Receivables:	
Taxes	7,522,777
Accounts (net)	694,443
Inventories	1,544
Prepaid items	95,240
Capital assets:	
Land	6,071,897
Construction in progress	1,272,675
Property and equipment (net of accumulated depreciation)	-
Total assets	<u>22,778,861</u>
Deferred Outflows of Resources	
Deferred outflows related to OPEB	64,724
Deferred outflows related to pension	3,539,704
Total deferred outflows of resources	<u>3,604,428</u>
Liabilities	
Accounts payable and other liabilities	642,386
Accrued interest payable	76,170
Noncurrent liabilities:	
Due within one year	1,030,000
Due in more than one year	15,267,752
Total liabilities	<u>17,016,308</u>
Deferred Inflows of Resources	
Unearned revenue property taxes	7,454,390
Deferred inflows related to OPEB	115,936
Deferred inflows related to pension	2,137,191
Total deferred inflows of resources	<u>9,707,517</u>
Net Position	
Net investment in capital assets	19,578,659
Restricted for debt service	524
Restricted for TIF activities	52,794
Restricted for other	155,560
Unrestricted	2,120,824
Total net position	<u>\$ 21,908,361</u>

See notes to financial statements

Village of Hales Corners

Statement of Activities

Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General government	\$ 706,726	\$ 287,164	\$ 21,407	\$ -	\$ (398,155)
Public safety	4,175,518	670,524	134,446	183	(3,370,365)
Public works	3,003,250	1,434,915	684,023	-	(884,312)
Health and human services	358,000	-	246,303	-	(111,697)
Library, parks and recreation	762,467	103,146	7,051	-	(652,270)
Conservation and development	295,006	4,895	-	-	(290,111)
Interest and fiscal charges	520,899	-	-	-	(520,899)
Total governmental activities	<u>\$ 9,821,866</u>	<u>\$ 2,500,644</u>	<u>\$ 1,093,230</u>	<u>\$ 183</u>	<u>(6,227,809)</u>

General Revenues

Taxes:

Property taxes levied for general purposes	4,711,588
Property taxes levied for tax increment financing districts	260,276
Property taxes levied for debt service	1,199,315
Intergovernmental revenues not restricted to specific programs	483,237
Investment income	576,810
Miscellaneous	105,691
Gain on disposal of capital assets	7,300

Total general revenues 7,344,217

Change in net position 1,116,408

Net Position, Beginning 20,791,953

Net Position, Ending \$ 21,908,361

See notes to financial statements

Village of Hales Corners

Balance Sheet -
Governmental Funds
December 31, 2024

	General	General Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 2,844,277	\$ 2,568,802	\$ 51,381	\$ 1,655,825	\$ 7,120,285
Receivables:					
Taxes	5,948,854	35,000	1,230,000	308,923	7,522,777
Accounts (net)	555,221	39,513	-	99,709	694,443
Due from other funds	56,581	-	25,313	-	81,894
Inventories	1,544	-	-	-	1,544
Prepaid items	95,240	-	-	-	95,240
Total assets	<u>\$ 9,501,717</u>	<u>\$ 2,643,315</u>	<u>\$ 1,306,694</u>	<u>\$ 2,064,457</u>	<u>\$ 15,516,183</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 296,965	\$ 40,776	\$ -	\$ -	\$ 337,741
Accrued liabilities	274,630	-	-	-	274,630
Due to other funds	-	25,313	-	56,581	81,894
Deposits	30,015	-	-	-	30,015
Total liabilities	601,610	66,089	-	56,581	724,280
Deferred Inflows of Resources					
Unavailable revenues	67,000	-	-	-	67,000
Unearned revenues	5,880,467	35,000	1,230,000	308,923	7,454,390
Total deferred inflows of resources	5,947,467	35,000	1,230,000	308,923	7,521,390
Fund Balances					
Nonspendable	105,729	-	-	-	105,729
Restricted	-	-	76,694	208,354	285,048
Committed	284,506	2,542,226	-	1,360,078	4,186,810
Assigned	262,000	-	-	140,548	402,548
Unassigned (deficit)	2,300,405	-	-	(10,027)	2,290,378
Total fund balances	2,952,640	2,542,226	76,694	1,698,953	7,270,513
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,501,717</u>	<u>\$ 2,643,315</u>	<u>\$ 1,306,694</u>	<u>\$ 2,064,457</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 4.	7,344,572
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.	67,000
Deferred outflows of resources related to pension and OPEBs do not related to current financial resources and are not reported in the governmental funds.	3,604,428
Deferred inflows of resources related to pension and OPEBs do not related to current financial resources and are not reported in the governmental funds.	(2,253,127)
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.	(16,373,922)
Net position of governmental activities	<u>\$ (340,536)</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, 2024

	General	General Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 4,710,972	\$ -	\$ 1,199,315	\$ 260,276	\$ 6,170,563
Other taxes	616	-	-	-	616
Intergovernmental	1,218,366	39,513	-	223,070	1,480,949
Licenses and permits	164,091	-	-	-	164,091
Fines, forfeitures and penalties	126,741	-	-	-	126,741
Public charges for services	1,964,472	-	-	185,426	2,149,898
Investment income	336,274	122,404	29,989	122,382	611,049
Miscellaneous revenue	100,932	-	31,974	94,160	227,066
Total revenues	8,622,464	161,917	1,261,278	885,314	10,930,973
Expenditures					
Current:					
General government	737,598	-	-	7,655	745,253
Public safety	4,242,896	-	-	74,591	4,317,487
Public works	2,031,550	-	-	96,913	2,128,463
Health and human services	306,735	-	-	26,459	333,194
Library, parks and recreation	689,389	-	-	48,606	737,995
Conservation and development	-	-	-	295,006	295,006
Capital outlay	6,663	1,466,175	-	642,913	2,115,751
Debt service:					
Principal	-	-	875,000	-	875,000
Interest and fiscal charges	-	-	490,686	60,912	551,598
Total expenditures	8,014,831	1,466,175	1,365,686	1,253,055	12,099,747
Excess (deficiency) of revenues over expenditures	607,633	(1,304,258)	(104,408)	(367,741)	(1,168,774)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	-	-	-	7,300	7,300
Debt issued	-	1,185,000	-	-	1,185,000
Premium on debt issued	-	-	76,976	-	76,976
Transfers out	(675,850)	(250,000)	-	(224,812)	(1,150,662)
Transfers in	213,123	121,885	-	815,654	1,150,662
Total other financing sources (uses)	(462,727)	1,056,885	76,976	598,142	1,269,276
Net changes fund balances	144,906	(247,373)	(27,432)	230,401	100,502
Fund Balances, Beginning	2,807,734	2,789,599	104,126	1,468,552	7,170,011
Fund Balances, Ending	<u>\$ 2,952,640</u>	<u>\$ 2,542,226</u>	<u>\$ 76,694</u>	<u>\$ 1,698,953</u>	<u>\$ 7,270,513</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, 2024

Net Change in Fund Balances, Total Governmental Funds	\$ 100,502
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures, however, in the Statement of Activities, the cost of 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	2,115,751
Some items reported as operating expenditures in the fund statements are capitalized in the government-wide financial statements	46,920
Some items reported as capital outlay were not capitalized	(348,316)
Depreciation is reported in the government-wide statements	(1,019,254)
Net book value of assets retired	(1,815)

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	875,000
Debt issued	(1,185,000)
Premium on debt issued	(76,977)

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	24,821
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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	(4,450)
Other postemployment benefits, health and life	449,622
Net pension liability	1,008,960
Deferred outflows of resources related to OPEB	(2,520)
Deferred inflows of resources related to OPEB	14,910
Deferred outflows of resources related to pension	(1,723,384)
Deferred inflows of resources related to pension	835,761
Accrued interest on debt	5,877

Change in Net Position of Governmental Activities	\$ 1,116,408
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Village of Hales Corners

Statement of Fiduciary Net Position
December 31, 2024

	Custodial Fund
	Tax Collection Fund
Assets	
Cash and investments	\$ 10,055,821
Taxes receivable	<u>2,097,969</u>
Total assets	<u>12,153,790</u>
Liabilities	
Due to other governmental units	<u>12,153,790</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, 2024

	Custodial Fund
	Tax Collection Fund
Additions	
Tax collections	<u>\$ 8,353,735</u>
Deductions	
Payments to overlying districts	<u>8,353,735</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, 2024

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Village of Hales Corners

Notes to Financial Statements
December 31, 2024

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, 2024

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 Funds

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	Farmers Market

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.

Equipment Replacement	Computer Replacement
Tax Incremental Financing (TIF) District No .4	Sewer Rehab
Stormwater	Hales Happiness Water Trust

In addition, the Village reports the following fund types:

Custodial Funds

Custodial Funds are 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.

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.

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

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. 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.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2024, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 4 for further information.

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

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 - 2024 tax roll:

Lien date and levy date	December 2024
Tax bills mailed	December 2024
Payment in full, or	January 31, 2025
First installment due	January 31, 2025
Second installment due	April 30, 2025
Third installment due	July 31, 2025
Tax sale - 2024 delinquent real estate taxes	October 2027

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 based on the FIFO method 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.

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment 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 four 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.

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

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 assets 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 an accrued liability in both government-wide financial statements and the fund financial statements. At December 31, 2024, the liability for accumulated vacation pay was \$137,923.

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, 2024, the liability for accumulated sick pay was \$81,504.

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.

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 effective interest 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 assets 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.
- 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.

Village of Hales Corners

Notes to Financial Statements

December 31, 2024

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, 2024 the unassigned general fund balance was \$2,300,405, which was 23.5% of the general fund operating budget.

See Note 4 for further information.

Pension

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

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

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

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, information about the fiduciary net position of the Village OPEB Plan and additions to/deductions from the Village OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Village OPEB Plan. For this purpose, the Village OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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

- Net OPEB Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits; and
- OPEB Expense (Revenue).

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

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

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.

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.

Bonds and notes payable	\$ 13,010,000
Compensated absences	81,504
Accrued interest	76,170
Unamortized debt premium and discount	407,288
Other postemployment benefits, health	2,223,205
Other postemployment benefits, life	180,042
Net pension liability	<u>395,713</u>
Combined adjustment for long-term liabilities	<u>\$ 16,373,922</u>

3. Stewardship, Compliance and Accountability

Deficit Balances

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

As of December 31, 2024, the following individual funds held a deficit balance:

Fund	Amount	Reason
Special Revenue Fund- Maternal Child Health	\$ 909	Expenditures exceeded revenue
Special Revenue Fund- PHEP Workforce Grant	9,118	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.

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

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	\$ 1,087,967	\$ 1,240,238	Custodial credit
LGIP	16,087,489	16,087,489	Credit
Petty cash	650	-	N/A
Total deposits and investments	<u>\$ 17,176,106</u>	<u>\$ 17,327,727</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 7,120,285		
Per statement of net position, fiduciary funds:			
Tax Collection Fund	<u>10,055,821</u>		
Total deposits and investments	<u>\$ 17,176,106</u>		

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 \$1,000,000. 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, 2024, \$943,272 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 943,272
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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.

Village of Hales Corners

Notes to Financial Statements

December 31, 2024

Receivables

All of the receivables on the balance sheet are expected to be collected within one year.

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	\$ 7,454,390	\$ -
Milwaukee County Federated Library System payments	<u>-</u>	<u>67,000</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 7,454,390</u>	<u>\$ 67,000</u>
Unearned revenue included in deferred inflows	<u>\$ 7,454,390</u>	
Total unearned revenue for governmental funds	<u>\$ 7,454,390</u>	

Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 6,071,897	\$ -	\$ -	\$ 6,071,897
Construction in progress	<u>84,090</u>	<u>1,234,825</u>	<u>46,240</u>	<u>1,272,675</u>
Total capital assets not being depreciated	<u>6,155,987</u>	<u>1,234,825</u>	<u>46,240</u>	<u>7,344,572</u>
Capital assets being depreciated:				
Land improvements	242,393	4,997	-	247,390
Buildings	12,787,026	93,177	-	12,880,203
Machinery and equipment	3,806,569	232,944	33,273	4,006,240
Infrastructure	<u>17,010,183</u>	<u>294,652</u>	<u>-</u>	<u>17,304,835</u>
Total capital assets being depreciated	<u>33,846,171</u>	<u>625,770</u>	<u>33,273</u>	<u>34,438,668</u>
Total capital assets	<u>40,002,158</u>	<u>1,860,595</u>	<u>79,513</u>	<u>41,783,240</u>
Less accumulated depreciation for:				
Land improvements	(114,193)	(5,402)	-	(119,595)
Buildings	(3,470,888)	(249,912)	-	(3,720,800)
Machinery and equipment	(2,527,926)	(275,513)	31,458	(2,771,981)
Infrastructure	<u>(5,088,968)</u>	<u>(488,427)</u>	<u>-</u>	<u>(5,577,395)</u>
Total accumulated depreciation	<u>(11,201,975)</u>	<u>(1,019,254)</u>	<u>31,458</u>	<u>(12,189,771)</u>
Net capital assets being depreciated	<u>22,644,196</u>	<u>(393,484)</u>	<u>1,815</u>	<u>22,248,897</u>
Total governmental activities capital assets, net as reported in the statement of net position	<u>\$ 28,800,183</u>	<u>\$ 841,341</u>	<u>\$ 48,055</u>	<u>\$ 29,593,469</u>

Village of Hales Corners

Notes to Financial Statements

December 31, 2024

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 57,278
Public safety	245,086
Health and Human Services	11,292
Public Works	671,438
Library, park and recreation	<u>34,160</u>
Total governmental activities depreciation expense	<u>\$ 1,019,254</u>

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:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund, PHEP Workforce Grant	\$ 53,793
General Fund	Special Revenue Fund, Maternal Child Health	2,740
General Fund	Special Revenue Fund, Immunization Grant	48
Debt Service Fund	General Capital Projects Fund	<u>25,313</u>
Total, fund financial statements		81,894
Less fund eliminations		<u>(81,894)</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 date 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 governmental activities are netted and eliminated

Village of Hales Corners

Notes to Financial Statements

December 31, 2024

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>
General Fund	Special Revenue Fund, Library	\$ 67,000	Milwaukee County Federated Library System transfer
General Fund	Special Revenue Fund, PHEP Workforce Grant	54,085	Transfers for grant expenditures
General Fund	Special Revenue Fund, Maternal Child Health	2,829	Transfers for grant expenditures
General Fund	Special Revenue Fund, Immunization Grant	27,553	Transfers for grant expenditures
General Fund	Special Revenue Fund, Enhance COVID Detection	2,772	Transfers for grant expenditures
General Fund	Special Revenue Fund, Health	58,884	Transfers for grant expenditures
Capital Projects Fund	Capital Projects Fund, Equipment Replacement	6,885	Fund Projects
Capital Projects Fund	General Fund	115,000	Fund Projects
Special Revenue Fund, Enhance COVID Detection	Special Revenue Fund, COVID grant Fund	352	Transfer for grant expenditures
Special Revenue Fund, COVID vaccine grant	Special Revenue Fund, COVID grant fund	452	Transfer for grant expenditures
Special Revenue Fund, Library	General Fund	8,000	Fund Projects
Special Revenue Fund, Equipment Replacement	Capital Projects Fund, Stormwater	4,000	Fund Projects
Special Revenue Fund, Equipment Replacement	General Fund	447,850	Fund Projects
Special Revenue Fund, Sewer Rehab	General Fund	85,000	Fund Projects
Capital Projects Fund, Equipment Replacement	General Fund	10,000	Fund Projects
Capital Projects Fund, Hales Happiness Water Trust	Capital Projects Fund	250,000	Fund Projects
Special Revenue Fund, July 4th	General Fund	<u>10,000</u>	Fund Projects
Total, fund financial statements		1,150,662	
Less fund eliminations		<u>(1,150,662)</u>	
Total transfers, government-wide statement of activities		<u>\$ -</u>	

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

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2024, 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	\$ 12,700,000	\$ 1,185,000	\$ 875,000	\$ 13,010,000	\$ 1,030,000
(Discounts)/Premiums:					
Bond premium	<u>355,132</u>	<u>76,977</u>	<u>24,821</u>	<u>407,288</u>	<u>-</u>
Total bonds and notes payable	<u>13,055,132</u>	<u>1,261,977</u>	<u>899,821</u>	<u>13,417,288</u>	<u>1,030,000</u>
Other liabilities:					
Other postemployment benefits, Health	2,691,363	137,211	605,369	2,223,205	-
Other postemployment benefits, Life	161,506	18,536	-	180,042	-
Net pension liability	1,404,673	-	1,008,960	395,713	-
Vested compensated absences	<u>77,055</u>	<u>9,151</u>	<u>4,702</u>	<u>81,504</u>	<u>-</u>
Total other liabilities	<u>4,334,597</u>	<u>164,898</u>	<u>1,619,031</u>	<u>2,880,464</u>	<u>-</u>
Total governmental activities long-term liabilities, excluding lease liabilities	<u>\$ 17,389,729</u>	<u>\$ 1,426,875</u>	<u>\$ 2,518,852</u>	<u>\$ 16,297,752</u>	<u>\$ 1,030,000</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, 2024, was \$49,993,155. Total general obligation debt outstanding at year end was \$13,010,000.

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, 2024</u>
General Obligation Debt					
GO Bond	06/07/12	04/01/31	0.5-3.0%	\$ 5,780,000	\$ 1,900,000
GO Bond	08/25/15	08/25/35	1.0-3.125	1,430,000	820,000
GO Bonds	11/05/18	11/01/38	4.0-3.25	5,300,000	4,335,000
GO Bonds	12/10/19	11/01/39	3.0-2.125	3,000,000	1,775,000
GO Notes	09/17/20	03/01/30	3.1-1.0	400,000	280,000
GO Bonds	11/17/22	11/01/42	4.75-50	3,000,000	2,715,000
GO Bonds	12/16/24	03/01/34	5.0-4.0	1,185,000	<u>1,185,000</u>
Total governmental activities, general obligation debt					<u>\$ 13,010,000</u>

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,030,000	\$ 445,996
2026	970,000	426,423
2027	975,000	393,435
2028	1,005,000	359,343
2029	1,035,000	324,288
2030-2034	4,255,000	1,146,600
2035-2039	2,970,000	474,151
2040-2042	770,000	73,388
Total	<u>\$ 13,010,000</u>	<u>\$ 3,643,624</u>

Other Debt Information

Estimated payments of vested compensated absences, net pension liability and other postemployment benefits obligations are not included in the debt service requirement schedules. The vested 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, 2024, includes the following:

Governmental Activities

Invested in capital assets:

Land	\$ 6,071,897
Construction in progress	1,272,675
Other capital assets, net of accumulated depreciation	22,248,897
Less long-term debt outstanding	(13,010,000)
Plus unspent capital related debt proceeds	3,402,478
Less unamortized debt premium	<u>(407,288)</u>
Total invested in capital assets	<u>\$ 19,578,659</u>

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2024, include the following:

	<u>General Fund</u>	<u>General Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances					
Nonspendable:					
Prepaid items	\$ 95,240	\$ -	\$ -	\$ -	\$ 95,240
Inventories	1,544	-	-	-	1,544
Delinquent personal property taxes	8,945	-	-	-	8,945
Subtotal	<u>105,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,729</u>
Restricted for:					
Debt Service	-	-	76,694	-	76,694
Tax incremental financing activities	-	-	-	52,794	52,794
Police	-	-	-	9,888	9,888
Health	-	-	-	43,097	43,097
Library	-	-	-	78,518	78,518
Communicable diseases	-	-	-	963	963
Immunization Grant	-	-	-	20,317	20,317
Enhance COVID Detection	-	-	-	997	997
Covid Vaccine Grant	-	-	-	2,283	2,283
Farmers Market	-	-	-	2,033	2,033
Subtotal	<u>-</u>	<u>-</u>	<u>76,694</u>	<u>210,890</u>	<u>287,584</u>
Committed to:					
Employee health and compensation reserve	284,506	-	-	-	284,506
General Capital Projects	-	2,542,226	-	-	2,542,226
Equipment Replacement	-	-	-	491,892	491,892
Computer Replacement	-	-	-	24,565	24,565
Sewer Rehab	-	-	-	590,072	590,072
Stormwater	-	-	-	192,738	192,738
Hales Happiness Water Trust	-	-	-	11,743	11,743
Public Works	-	-	-	17,949	17,949
July 4th Activities	-	-	-	31,119	31,119
Subtotal	<u>284,506</u>	<u>2,542,226</u>	<u>-</u>	<u>1,360,078</u>	<u>4,186,810</u>
Assigned to:					
2025 budget appropriation	262,000	-	-	-	262,000
General Government	-	-	-	39,207	39,207
Fire	-	-	-	12,998	12,998
Police	-	-	-	88,343	88,343
Subtotal	<u>262,000</u>	<u>-</u>	<u>-</u>	<u>140,548</u>	<u>402,548</u>
Unassigned (Deficit)	<u>2,300,405</u>	<u>-</u>	<u>-</u>	<u>(12,563)</u>	<u>2,287,842</u>
Total fund balances (deficit)	<u>\$ 2,952,640</u>	<u>\$ 2,542,226</u>	<u>\$ 76,694</u>	<u>\$ 1,698,953</u>	<u>\$ 7,270,513</u>

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 a retirement benefit based on a formula factor, their final average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings 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, 2024

Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, 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>
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions

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

During the reporting period, the WRS recognized \$354,790 in contributions from the Village.

Contribution rates for the plan year reported as of December 31, 2024 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.80 %	6.80 %
Protective with Social Security	6.80	13.20
Protective without Social Security	6.80	18.10

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

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

At December 31, 2024, the Village reported a liability of \$395,713 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the Village's proportion was 0.02661499%, which was an increase of 0.00010022% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Village recognized pension expense (revenue) of \$233,862.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 1,595,511	\$ 2,113,265
Changes in assumptions	172,480	-
Net differences between projected and actual earnings on pension plan investments	1,378,997	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,266	23,926
Employer contributions subsequent to the measurement date	<u>389,450</u>	<u>-</u>
Total	<u>\$ 3,539,704</u>	<u>\$ 2,137,191</u>

\$389,450 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2025	\$ 205,215
2026	212,738
2027	860,722
2028	(265,612)

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

Actuarial Assumptions

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

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

* *No postretirement 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 postretirement 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. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

Village of Hales Corners

Notes to Financial Statements

December 31, 2024

Long-Term Expected Return on Plan Assets

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

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

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage***	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
Variable Fund Asset			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

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

** New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.7%

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

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the 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:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
Village's proportionate share of the net pension liability (asset)	\$ 3,824,759	\$ 395,713	\$ (2,003,735)

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, 2024, the Village reported a payable to the pension plan of \$54,363 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
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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 active construction projects as of December 31, 2024. 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 and life insurance 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 premium for a family and a single plan, respectively, for eligible retired plan members and their spouses and 75% annual increases in subsequent years.

Employees Covered by Benefit Terms

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	7
Active plan members	<u>10</u>
Total	<u><u>17</u></u>

Total OPEB Liability

The Village's total OPEB liability of \$2,223,205 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.9%
Salary increases	3.3% per year
Healthcare cost trend rates	5.8% in 2024 and decreasing to 4.1% over 10 years
Healthcare participation rate	100%

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

The actuarial assumptions used in the December 31, 2024 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, 2023	<u>\$ 2,691,363</u>
Changes for the year:	
Service cost	50,018
Interest	87,193
Changes in assumptions or other inputs	(113,825)
Effect of Economic/Demographic Gains or Losses	(407,080)
Benefit payments	<u>(84,464)</u>
Net changes	<u>(468,158)</u>
Balances at December 31, 2024	<u><u>\$ 2,223,205</u></u>

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 (2.9%) or 1-percentage-point higher (4.9%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 2,396,736	\$ 2,223,205	\$ 2,069,803

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

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 (4.8% decreasing to 3.1%) or 1-percentage-point higher (6.8% decreasing to 5.1%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 2,019,465	\$ 2,223,205	\$ 2,456,193

For the year ended December 31, 2024, the Village recognized negative OPEB expense of \$468,158.

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 postemployment 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 postretirement 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, 2024 are:

Coverage Type	Employer Contribution
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, 2024

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 \$797 in contributions from the employer.

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

At December 31, 2024, the Village reported a liability of \$180,042 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the Village's proportion was 0.03913400%, which was an decrease of 0.00325800% from its proportion measured as of December 31, 2022.

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

For the year ended December 31, 2024, the Village recognized OPEB expense (revenue) of \$6,146.

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

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 15,936
Net differences between projected and actual earnings on plan investments	2,432	-
Changes in actuarial assumptions	56,317	70,897
Changes in proportion and differences between employer contributions and proportionate share of contributions	680	29,103
Employer contributions subsequent to the measurement date	<u>5,295</u>	<u>-</u>
Total	<u>\$ 64,724</u>	<u>\$ 115,936</u>

\$5,295 reported as deferred outflows of resources related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2025	\$ (7,551)
2026	(5,104)
2027	(11,762)
2028	(16,621)
2029	(15,496)
Thereafter	27

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

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, 2023
Measurement Date of Net OPEB Liability (Asset)	December 31, 2023
Experience Study:	January 1, 2018-December 31, 2020. Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.10%-5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers GO 20-Bond Municipal index

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

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

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.

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	40.00%	2.32%
U.S. Mortgages	Bloomberg U.S. MBS	60.00	2.52
Inflation			2.30
Long-Term Expected Rate of Return			4.25

Single Discount Rate

A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Village of Hales Corners

Notes to Financial Statements
December 31, 2024

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

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

	<u>1% Decrease to Discount Rate (2.32%)</u>	<u>Current Discount Rate (3.32%)</u>	<u>1% Increase to Discount Rate (4.32%)</u>
Village's proportionate share of the net OPEB liability (asset)	\$ 241,912	\$ 180,042	\$ 132,816

Subsequent Events

On April 28, 2025, the Village borrowed \$4.5 million and \$4 million in general obligation promissory notes. The notes will be used to finance the replacement of the water distribution system in the Hales Happiness subdivision, street improvement projects and library improvements. The notes bear an interest rate of 4.625% and 6.00-4.00%, respectively. The \$4.5 million issuance is payable in one lump sum May 1, 2026 and the \$4 million issuance is payable through May 1, 2045.

On the Village issued general obligation promissory notes in the amount of \$0 with an interest rate of %. This amount will be used

Subsequent to December 31, 2024, the investment markets have experienced significant volatility. It is highly likely that the values of the Village's investments have changed by material amounts since year end.

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 Districts (TID) No. 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>
2025	\$ 136,645	\$ 56,145	\$ 192,790
2026	124,901	48,630	173,531
2027	126,999	41,760	168,759
2028	134,009	34,775	168,784
2029	141,404	27,405	168,809
2030	149,207	19,627	168,834
Total	<u>\$ 813,165</u>	<u>\$ 228,342</u>	<u>\$ 1,041,507</u>

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes	\$ 5,910,287	\$ 5,910,287	\$ 4,710,972	\$ (1,199,315)
Other taxes	709	709	616	(93)
Intergovernmental	1,211,506	1,211,506	1,218,366	6,860
Licenses and permits	130,410	130,410	164,091	33,681
Fines, forfeitures and penalties	135,000	135,000	126,741	(8,259)
Public charges for services	1,863,454	1,863,454	1,964,472	101,018
Investment income	162,785	162,785	336,274	173,489
Miscellaneous revenues	88,800	88,800	100,932	12,132
Total revenues	<u>9,502,951</u>	<u>9,502,951</u>	<u>8,622,464</u>	<u>(880,487)</u>
Expenditures				
Current:				
General government	959,453	944,453	737,598	206,855
Public safety	4,557,701	4,557,701	4,249,559	308,142
Public works	2,177,578	2,192,578	2,031,550	161,028
Health and human services	161,120	161,120	306,735	(145,615)
Library, parks and recreation	724,736	724,736	689,389	35,347
Total expenditures	<u>8,580,588</u>	<u>8,580,588</u>	<u>8,014,831</u>	<u>565,757</u>
Excess of revenues over (under) expenditures	<u>922,363</u>	<u>922,363</u>	<u>607,633</u>	<u>(314,730)</u>
Other Financing Sources (Uses)				
Transfers out	(1,199,315)	(1,199,315)	(675,850)	523,465
Transfers in	<u>79,452</u>	<u>79,452</u>	<u>213,123</u>	<u>133,671</u>
Net change in fund balance	<u>\$ (197,500)</u>	<u>\$ (197,500)</u>	<u>144,906</u>	<u>\$ 342,406</u>
Fund Balance, Beginning			<u>2,807,734</u>	
Fund Balance, Ending			<u>\$ 2,952,640</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, 2024

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 %
12/31/22	0.02651477 %	1,404,673	3,204,885	43.83%	95.72%
12/31/23	0.02661499 %	395,713	3,294,897	12.01%	98.85%

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2024

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 %
12/31/23	355,199	355,199	-	3,294,897	10.78 %
12/31/24	389,450	389,450	-	3,375,139	11.54 %

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, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 50,018	\$ 47,769	\$ 72,853	\$ 65,788	\$ 63,711	\$ 70,422	\$ 127,919
Interest	87,193	86,239	71,204	54,129	75,060	79,748	61,647
Prior year activity	-	-	-	-	-	-	192,978
Differences between expected and actual experience	(407,080)	166,177	92,315	346,544	(232,596)	(347,166)	(261,979)
Changes of assumptions	(113,825)	(185,905)	(558,143)	135,255	255,355	102,490	(317,628)
Benefit payments	(84,464)	(89,466)	(68,948)	(39,646)	(47,457)	(52,521)	(72,056)
Net change in total OPEB liability	(468,158)	24,814	(390,719)	562,070	114,073	(147,027)	(269,119)
Total OPEB Liability, Beginning	<u>2,691,363</u>	<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>	<u>2,797,271</u>
Total OPEB Liability, Ending	<u>\$ 2,223,205</u>	<u>\$ 2,691,363</u>	<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>\$ 3,375,139</u>	<u>\$ 3,294,897</u>	<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>65.87%</u>	<u>81.68%</u>	<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.

See notes to requires supplementary information

Village of Hales Corners

Schedule of Employer Contributions -
Village Retiree Benefits Plan
Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually determined contribution	\$ 84,464	\$ 89,466	\$ 68,948	\$ 39,646	\$ 47,457	\$ 52,521	\$ 72,056
Contributions in relation to the contractually determined contribution	<u>84,464</u>	<u>89,466</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 3,375,139</u>	<u>\$ 3,294,897</u>	<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>2.50%</u>	<u>2.72%</u>	<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

Schedule of Proportionate Share of the Net OPEB Liability -

Local Retiree Life Insurance Fund

Year Ended December 31, 2024

Plan Fiscal Year End	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
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 %
12/31/22	0.04239200 %	161,506	2,557,000	6.32 %	38.81 %
12/31/23	0.03913400 %	180,042	2,622,000	6.87 %	33.90 %

Schedule of Employer Contributions - Local Retiree Life Insurance Fund

Year Ended December 31, 2024

Village Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/18	\$ 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 %
12/31/23	4,918	4,918	-	3,294,897	0.15 %
12/31/24	5,295	5,295	-	3,375,139	0.16 %

See notes to required supplementary information

Village of Hales Corners

Notes to Required Supplementary Information
Year Ended December 31, 2024

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 Town may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year-end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the departmental level for the general fund and total expenditures for all other funds.

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 postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

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

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

Village of Hales Corners

Notes to Required Supplementary Information
Year Ended December 31, 2024

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 fiscal years data; however the standards allow the Village to present as many years as are available until ten fiscal years are presented.

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

Changes of 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

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

- Lowering the long-term expected rate of return from 5.0% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

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, 2024 total OPEB liabilities, including the following:

- Decreasing the discount rate from 3.93% to 3.9%

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes:				
Property taxes	\$ 5,910,287	\$ 5,910,287	\$ 4,710,972	\$ (1,199,315)
Other taxes	709	709	616	(93)
Total taxes	<u>5,910,996</u>	<u>5,910,996</u>	<u>4,711,588</u>	<u>(1,199,408)</u>
Licenses:				
Liquor and malt beverage	14,100	14,100	24,780	10,680
Operators'	6,500	6,500	7,685	1,185
Cigarette	1,400	1,400	1,600	200
Dog	2,600	2,600	2,712	112
Amusement device and peddler	5,355	5,355	5,696	341
Dance hall	60	60	60	-
Food establishment	21,000	21,000	25,428	4,428
Massage and tattoo	3,570	3,570	5,099	1,529
Swimming pool	725	725	690	(35)
Total licenses	<u>55,310</u>	<u>55,310</u>	<u>73,750</u>	<u>18,440</u>
Permits:				
Building	50,000	50,000	55,840	5,840
Electric	14,000	14,000	15,826	1,826
Plumbing	7,000	7,000	7,710	710
Sign	500	500	1,367	867
Culvert	3,000	3,000	2,000	(1,000)
Erosion	300	300	300	-
Street	-	-	6,675	6,675
Fire department	300	300	623	323
Total permits	<u>75,100</u>	<u>75,100</u>	<u>90,341</u>	<u>15,241</u>
Fines and forfeitures	<u>135,000</u>	<u>135,000</u>	<u>126,741</u>	<u>(8,259)</u>

Village of Hales Corners**Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -**

General Fund

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Public charges for services:				
Property search requests	\$ 1,300	\$ 1,300	\$ 921	\$ (379)
Village hall copy fees	918	918	474	(444)
Lease revenue	108,462	108,462	117,833	9,371
Board of appeals	590	590	295	(295)
Planning commission fees	3,000	3,000	4,600	1,600
License publication fees	300	300	283	(17)
Fire department fees	31,489	31,489	27,025	(4,464)
Fire department highway response fees	5,000	5,000	1,050	(3,950)
Weights and measures	3,750	3,750	2,110	(1,640)
Ambulance fees	325,000	325,000	434,222	109,222
Refuse collection charges	447,042	447,042	447,035	(7)
Local sewer service charges	507,311	507,311	499,078	(8,233)
Metro sewer connection charge	329,542	329,542	327,392	(2,150)
Landscaping fees	-	-	104	104
Health department fees	-	-	183	183
Library fines	6,575	6,575	8,123	1,548
Library copy fees	2,000	2,000	2,516	516
Recreation department fees	91,175	91,175	91,228	53
Total public charges for services	1,863,454	1,863,454	1,964,472	101,018
Intergovernmental:				
Shared taxes from state	454,736	454,736	454,737	1
State aid, highways	663,898	663,898	663,996	98
State aid, fire insurance	31,000	31,000	35,674	4,674
State aid, video provider	21,407	21,407	21,407	-
State aid, personal property	16,444	16,444	16,444	-
State aid, police	-	-	-	-
State aid, LWMMI	2,500	2,500	4,185	1,685
State aid, public safety	-	-	-	-
Bots enforcement/safety grant	1,521	1,521	1,896	375
Recycling grant	20,000	20,000	20,027	27
Total intergovernmental	1,211,506	1,211,506	1,218,366	6,860

Village of Hales Corners**Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -**

General Fund

Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Investment income:				
General fund investments	\$ 146,785	\$ 146,785	\$ 186,818	\$ 40,033
Tax account investments	-	-	134,083	134,083
Delinquent taxes	13,000	13,000	13,152	152
Sewer charge penalties	3,000	3,000	2,221	(779)
	<u>162,785</u>	<u>162,785</u>	<u>336,274</u>	<u>173,489</u>
Total interest income				
	<u>162,785</u>	<u>162,785</u>	<u>336,274</u>	<u>173,489</u>
Miscellaneous revenues:				
Miscellaneous general revenue	5,800	5,800	11,912	6,112
Cable television franchise fee	14,500	14,500	63,427	48,927
Telephone franchise fee	68,500	68,500	11,684	(56,816)
League insurance rebate	-	-	13,909	13,909
	<u>88,800</u>	<u>88,800</u>	<u>100,932</u>	<u>12,132</u>
Total other revenues				
	<u>88,800</u>	<u>88,800</u>	<u>100,932</u>	<u>12,132</u>
Total general fund revenues	<u>\$ 9,502,951</u>	<u>\$ 9,502,951</u>	<u>\$ 8,622,464</u>	<u>\$ (880,487)</u>

Village of Hales Corners**Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -**

General Fund

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
General government:				
Legislative	\$ 96,984	\$ 96,984	\$ 83,037	\$ 13,947
Municipal court	105,794	105,794	104,086	1,708
Administration	411,929	429,429	397,024	32,405
Maintenance and sundry	137,746	137,746	153,451	(15,705)
Contingency	207,000	174,500	-	174,500
Total general government	959,453	944,453	737,598	206,855
Public safety:				
Police department	3,087,414	3,087,414	2,829,881	257,533
Fire department	1,350,063	1,350,063	1,292,714	57,349
Inspection, general	120,224	120,224	120,301	(77)
Capital outlay, Fire department	-	-	2,500	(2,500)
Capital outlay, police	-	-	4,163	(4,163)
Total public safety	4,557,701	4,557,701	4,249,559	308,142
Public works:				
Engineering, sanitation, administration	1,338,917	1,338,917	1,243,788	95,129
Maintenance	838,661	853,661	787,762	65,899
Total public works	2,177,578	2,192,578	2,031,550	161,028
Health and human services:				
Health	161,120	161,120	306,735	(145,615)
Total health and human services	161,120	161,120	306,735	(145,615)
Library, parks and recreation:				
Library	640,200	640,200	600,938	39,262
Recreation	84,536	84,536	88,451	(3,915)
Total library, parks and recreation	724,736	724,736	689,389	35,347
Total general fund expenditures	<u>\$ 8,580,588</u>	<u>\$ 8,580,588</u>	<u>\$ 8,014,831</u>	<u>\$ 565,757</u>

Village of Hales Corners

Combining Balance Sheet -

Nonmajor Funds

December 31, 2024

	Capital Projects	Special Revenue	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ 1,363,804	\$ 292,021	\$ 1,655,825
Taxes receivable	308,923	-	308,923
Accounts (net)	-	99,709	99,709
Total assets	<u>\$ 1,672,727</u>	<u>\$ 391,730</u>	<u>\$ 2,064,457</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Due to other funds	\$ -	\$ 56,581	\$ 56,581
Total liabilities	-	56,581	56,581
Deferred Inflows of Resources			
Unearned property taxes	308,923	-	308,923
Total deferred inflows	308,923	-	308,923
Fund Balances			
Restricted	52,794	155,560	208,354
Committed	1,311,010	49,068	1,360,078
Assigned	-	140,548	140,548
Unassigned (deficit)	-	(10,027)	(10,027)
Total fund balances	<u>1,363,804</u>	<u>335,149</u>	<u>1,698,953</u>
Total deferred inflows of resources and fund balances	<u>\$ 1,672,727</u>	<u>\$ 391,730</u>	<u>\$ 2,064,457</u>

Village of Hales Corners

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

Nonmajor Funds

Year Ended December 31, 2024

	Capital Projects	Special Revenue	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 260,276	\$ -	\$ 260,276
Public charges for services	114,425	71,001	185,426
Intergovernmental	-	223,070	223,070
Investment income	76,085	46,297	122,382
Miscellaneous revenue	79,881	14,279	94,160
	<u>530,667</u>	<u>354,647</u>	<u>885,314</u>
Total revenues			
	<u>530,667</u>	<u>354,647</u>	<u>885,314</u>
Expenditures			
Current:			
General government	-	7,655	7,655
Public safety	-	74,591	74,591
Public works	96,764	149	96,913
Health and human services	-	26,459	26,459
Library, parks and recreation	-	48,606	48,606
Conservation and development	295,006	-	295,006
Capital outlay	633,392	9,521	642,913
Debt service:			
Interest and fiscal charges	60,912	-	60,912
	<u>1,086,074</u>	<u>166,981</u>	<u>1,253,055</u>
Total expenditures			
	<u>1,086,074</u>	<u>166,981</u>	<u>1,253,055</u>
Excess (deficiency) of revenues over expenditures	<u>(555,407)</u>	<u>187,666</u>	<u>(367,741)</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	7,300	-	7,300
Transfers out	(10,885)	(213,927)	(224,812)
Transfers in	796,850	18,804	815,654
	<u>793,265</u>	<u>(195,123)</u>	<u>598,142</u>
Total other financing sources (uses)			
	<u>793,265</u>	<u>(195,123)</u>	<u>598,142</u>
Net changes fund balances	237,858	(7,457)	230,401
Fund Balances, Beginning	<u>1,125,946</u>	<u>342,606</u>	<u>1,468,552</u>
Fund Balances, Ending	<u>\$ 1,363,804</u>	<u>\$ 335,149</u>	<u>\$ 1,698,953</u>

Village of Hales Corners

Combining Balance Sheet -
Capital Projects Nonmajor Funds
December 31, 2024

	<u>Equipment Replacement</u>	<u>Computer Replacement</u>	<u>TIF District No. 4</u>	<u>Sewer Rehab</u>	<u>Stormwater</u>	<u>Hales Happiness Water Trust</u>	<u>Total Capital Projects Funds</u>
Assets							
Cash and investments	\$ 491,892	\$ 24,565	\$ 52,794	\$ 590,072	\$ 192,738	\$ 11,743	\$ 1,363,804
Taxes receivable	-	-	308,923	-	-	-	308,923
Total assets	<u>\$ 491,892</u>	<u>\$ 24,565</u>	<u>\$ 361,717</u>	<u>\$ 590,072</u>	<u>\$ 192,738</u>	<u>\$ 11,743</u>	<u>\$ 1,672,727</u>
Deferred Inflows of Resources and Fund Balances							
Deferred Inflows of Resources							
Unearned property taxes	\$ -	\$ -	\$ 308,923	\$ -	\$ -	\$ -	\$ 308,923
Total deferred inflows of resources	-	-	308,923	-	-	-	308,923
Fund Balances							
Restricted	-	-	52,794	-	-	-	52,794
Committed	491,892	24,565	-	590,072	192,738	11,743	1,311,010
Total fund balances	491,892	24,565	52,794	590,072	192,738	11,743	1,363,804
Total deferred inflows of resources and fund balances	<u>\$ 491,892</u>	<u>\$ 24,565</u>	<u>\$ 361,717</u>	<u>\$ 590,072</u>	<u>\$ 192,738</u>	<u>\$ 11,743</u>	<u>\$ 1,672,727</u>

Village of Hales Corners

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Capital Projects Nonmajor Funds
Year Ended December 31, 2024

	<u>Equipment Replacement</u>	<u>Computer Replacement</u>	<u>TIF District No. 4</u>	<u>Sewer Rehab</u>	<u>Stormwater</u>	<u>Hales Happiness Water Trust</u>	<u>Total Capital Projects Funds</u>
Revenues							
Taxes	\$ -	\$ -	\$ 260,276	\$ -	\$ -	\$ -	\$ 260,276
Public charges for services	-	-	-	-	114,425	-	114,425
Miscellaneous revenue	67,196	-	-	-	12,685	-	79,881
Investment income	13,969	767	13,004	29,340	12,144	6,861	76,085
Total revenues	<u>81,165</u>	<u>767</u>	<u>273,280</u>	<u>29,340</u>	<u>139,254</u>	<u>6,861</u>	<u>530,667</u>
Expenditures							
Current:							
Public works	-	-	-	16,519	80,245	-	96,764
Conservation and development	-	-	295,006	-	-	-	295,006
Capital outlay	305,149	851	-	69,642	12,632	245,118	633,392
Debt service:							
Interest and fiscal charges	-	-	60,912	-	-	-	60,912
Total expenditures	<u>305,149</u>	<u>851</u>	<u>355,918</u>	<u>86,161</u>	<u>92,877</u>	<u>245,118</u>	<u>1,086,074</u>
Excess (deficiency) of revenues over expenditures	<u>(223,984)</u>	<u>(84)</u>	<u>(82,638)</u>	<u>(56,821)</u>	<u>46,377</u>	<u>(238,257)</u>	<u>(555,407)</u>
Other Financing Sources (Uses)							
Proceeds from sale of capital assets	7,300	-	-	-	-	-	7,300
Transfers out	(6,885)	-	-	-	(4,000)	-	(10,885)
Transfers in	451,850	10,000	-	85,000	-	250,000	796,850
Total other financing sources (uses)	<u>452,265</u>	<u>10,000</u>	<u>-</u>	<u>85,000</u>	<u>(4,000)</u>	<u>250,000</u>	<u>793,265</u>
Net changes fund balances	<u>228,281</u>	<u>9,916</u>	<u>(82,638)</u>	<u>28,179</u>	<u>42,377</u>	<u>11,743</u>	<u>237,858</u>
Fund Balances, Beginning	<u>263,611</u>	<u>14,649</u>	<u>135,432</u>	<u>561,893</u>	<u>150,361</u>	<u>-</u>	<u>1,125,946</u>
Fund Balances, Ending	<u>\$ 491,892</u>	<u>\$ 24,565</u>	<u>\$ 52,794</u>	<u>\$ 590,072</u>	<u>\$ 192,738</u>	<u>\$ 11,743</u>	<u>\$ 1,363,804</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, 2024

	General Government	Fire	Police	Public Works	Library	Conservation and Development	Total
Revenues							
Intergovernmental	\$ 39,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,513
Investment income	122,404	-	-	-	-	-	122,404
Total revenues	161,917	-	-	-	-	-	161,917
Expenditures							
Capital outlay	16,527	70,645	-	1,369,206	-	9,797	1,466,175
Total expenditures	16,527	70,645	-	1,369,206	-	9,797	1,466,175
Excess (deficiency) of revenues over expenditures	145,390	(70,645)	-	(1,369,206)	-	(9,797)	(1,304,258)
Other Financing Sources							
Debt issued	1,185,000	-	-	-	-	-	1,185,000
Transfers out	(250,000)	-	-	-	-	-	(250,000)
Transfers in	121,885	-	-	-	-	-	121,885
Total other financing sources	1,056,885	-	-	-	-	-	1,056,885
Net changes fund balances	1,202,275	(70,645)	-	(1,369,206)	-	(9,797)	(247,373)
Fund Balances (Deficit), Beginning	487,891	(21,792)	-	2,380,249	(235)	(56,514)	2,789,599
Fund Balances (Deficit), Ending	\$ 1,690,166	\$ (92,437)	\$ -	\$ 1,011,043	\$ (235)	\$ (66,311)	\$ 2,542,226

Village of Hales Corners

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Equipment Replacement Funds
Year Ended December 31, 2024

	General Government	Fire	Police	Inspection	Public Works	Library	Total Equipment Replacement Funds
Revenues							
Miscellaneous revenue	\$ 14,298	\$ 30,898	\$ 22,000	\$ -	\$ -	\$ -	\$ 67,196
Investment income	13,969	-	-	-	-	-	13,969
Total revenues	28,267	30,898	22,000	-	-	-	81,165
Expenditures							
Capital outlay	37,968	126,813	104,128	-	33,364	2,876	305,149
Total expenditures	37,968	126,813	104,128	-	33,364	2,876	305,149
Excess (deficiency) of revenues over expenditures	(9,701)	(95,915)	(82,128)	-	(33,364)	(2,876)	(223,984)
Other Financing Sources (Uses)							
Proceeds from sale of capital assets	-	7,300	-	-	-	-	7,300
Transfers out	-	(6,885)	-	-	-	-	(6,885)
Transfers in	-	-	447,850	-	4,000	-	451,850
Total other financing sources (uses)	-	415	447,850	-	4,000	-	452,265
Net changes in fund balances	(9,701)	(95,500)	365,722	-	(29,364)	(2,876)	228,281
Fund Balances (Deficit), Beginning	80,426	123,552	31,969	-	43,613	(15,949)	263,611
Fund Balances (Deficit), Ending	<u>\$ 70,725</u>	<u>\$ 28,052</u>	<u>\$ 397,691</u>	<u>\$ -</u>	<u>\$ 14,249</u>	<u>\$ (18,825)</u>	<u>\$ 491,892</u>

Village of Hales Corners

Combining Balance Sheet -
Special Revenue Nonmajor Funds
Year Ended December 31, 2024

	General Government	Fire	Police	Public Works	Health	Library	July 4th Activities	COVID Grant Fund
Assets								
Cash and investments	\$ 39,207	\$ 12,998	\$ 94,883	\$ 17,949	\$ 13,656	\$ 78,518	\$ 31,119	\$ -
Accounts (net)	-	-	3,348	-	29,441	-	-	-
Total assets	<u>\$ 39,207</u>	<u>\$ 12,998</u>	<u>\$ 98,231</u>	<u>\$ 17,949</u>	<u>\$ 43,097</u>	<u>\$ 78,518</u>	<u>\$ 31,119</u>	<u>\$ -</u>
Liabilities and Fund Balances (Deficit)								
Liabilities								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)								
Restricted	-	-	9,888	-	43,097	78,518	-	-
Committed	-	-	-	17,949	-	-	31,119	-
Assigned	39,207	12,998	88,343	-	-	-	-	-
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>39,207</u>	<u>12,998</u>	<u>98,231</u>	<u>17,949</u>	<u>43,097</u>	<u>78,518</u>	<u>31,119</u>	<u>-</u>
Total liabilities and fund balances (deficit)	<u>\$ 39,207</u>	<u>\$ 12,998</u>	<u>\$ 98,231</u>	<u>\$ 17,949</u>	<u>\$ 43,097</u>	<u>\$ 78,518</u>	<u>\$ 31,119</u>	<u>\$ -</u>

Village of Hales Corners

Combining Balance Sheet -

Special Revenue Nonmajor Funds

Year Ended December 31, 2024

	ARPA	Communicable Diseases	Maternal Child Health	Immunization Grant	Enhance COVID Detection	COVID Vaccine Grant	PHEP Workforce Grant	Farmers Market	Total Special Revenue Funds
Assets									
Cash and investments	\$ -	\$ 914	\$ -	\$ -	\$ -	\$ 744	\$ -	\$ 2,033	\$ 292,021
Accounts (net)	-	49	1,832	20,364	-	-	44,675	-	99,709
Total assets	<u>\$ -</u>	<u>\$ 963</u>	<u>\$ 1,832</u>	<u>\$ 20,364</u>	<u>\$ -</u>	<u>\$ 744</u>	<u>\$ 44,675</u>	<u>\$ 2,033</u>	<u>\$ 391,730</u>
Liabilities and Fund Balances (Deficit)									
Liabilities									
Due to other funds	\$ -	\$ -	\$ 2,741	\$ 47	\$ -	\$ -	\$ 53,793	\$ -	\$ 56,581
Total liabilities	<u>-</u>	<u>-</u>	<u>2,741</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>53,793</u>	<u>-</u>	<u>56,581</u>
Fund Balances (Deficit)									
Restricted	-	963	-	20,317	-	744	-	2,033	155,560
Committed	-	-	-	-	-	-	-	-	49,068
Assigned	-	-	-	-	-	-	-	-	140,548
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>(909)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,118)</u>	<u>-</u>	<u>(10,027)</u>
Total fund balances (deficit)	<u>-</u>	<u>963</u>	<u>(909)</u>	<u>20,317</u>	<u>-</u>	<u>744</u>	<u>(9,118)</u>	<u>2,033</u>	<u>335,149</u>
Total liabilities and fund balances (deficit)	<u>\$ -</u>	<u>\$ 963</u>	<u>\$ 1,832</u>	<u>\$ 20,364</u>	<u>\$ -</u>	<u>\$ 744</u>	<u>\$ 44,675</u>	<u>\$ 2,033</u>	<u>\$ 391,730</u>

Village of Hales Corners

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Special Revenue Nonmajor Funds
Year Ended December 31, 2024

	General Government	Fire	Police	Public Works	Health	Library	July 4th Activities	COVID Grant Funds
Revenues								
Public charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,001	\$ -	\$ -
Intergovernmental	-	8,019	21,578	-	65,408	4,835	-	-
Miscellaneous revenue	-	3,080	20,501	-	500	-	22,216	-
Investment income	12,347	-	-	-	-	-	-	-
Total revenues	12,347	11,099	42,079	-	65,908	75,836	22,216	-
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	12,368	23,888	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	7,122	-	-	53
Library, parks and recreation	-	-	-	-	-	9,055	39,551	-
Capital outlay	-	-	-	-	-	-	-	9,521
Total expenditures	-	12,368	23,888	-	7,122	9,055	39,551	9,574
Excess (deficiency) of revenues over expenditures	12,347	(1,269)	18,191	-	58,786	66,781	(17,335)	(9,574)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	8,000	10,000	-
Transfers out	-	-	-	-	(58,884)	(67,000)	-	(804)
Total other financing sources (uses)	-	-	-	-	(58,884)	(59,000)	10,000	(804)
Net changes fund balances	12,347	(1,269)	18,191	-	(98)	7,781	(7,335)	(10,378)
Fund Balances (Deficit), Beginning	26,860	14,267	80,040	17,949	43,195	70,737	38,454	10,378
Fund Balances (Deficit), Ending	\$ 39,207	\$ 12,998	\$ 98,231	\$ 17,949	\$ 43,097	\$ 78,518	\$ 31,119	\$ -

Village of Hales Corners

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

Special Revenue Nonmajor Funds

Year Ended December 31, 2024

	ARPA	Communicable Diseases	Maternal Child Health	Immunization Grant	Enhance COVID Detection	COVID Vaccine Grant	PHEP Workforce Grant	Farmers Market	Total Special Revenue Funds
Revenues									
Public charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,001
Intergovernmental	11,907	149	2,829	44,449	14,028	2,364	47,504	-	223,070
Miscellaneous revenue	-	-	-	-	-	-	-	-	46,297
Investment income	1,932	-	-	-	-	-	-	-	14,279
Total revenues	13,839	149	2,829	44,449	14,028	2,364	47,504	-	354,647
Expenditures									
Current:									
General government	7,655	-	-	-	-	-	-	-	7,655
Public safety	38,335	-	-	-	-	-	-	-	74,591
Public works	-	149	-	-	-	-	-	-	149
Health and human services	-	-	-	-	10,711	433	6,940	1,200	26,459
Library, parks and recreation	-	-	-	-	-	-	-	-	48,606
Capital outlay	-	-	-	-	-	-	-	-	9,521
Total expenditures	45,990	149	-	-	10,711	433	6,940	1,200	166,981
Excess (deficiency) of revenues over expenditures	(32,151)	-	2,829	44,449	3,317	1,931	40,564	(1,200)	187,666
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	452	352	-	-	18,804
Transfers out	-	-	(2,829)	(27,553)	(2,772)	-	(54,085)	-	(213,927)
Total other financing sources (uses)	-	-	(2,829)	(27,553)	(2,320)	352	(54,085)	-	(195,123)
Net changes fund balances	(32,151)	-	-	16,896	997	2,283	(13,521)	(1,200)	(7,457)
Fund Balances (Deficit), Beginning	32,151	963	(909)	3,421	(997)	(1,539)	4,403	3,233	342,606
Fund Balances (Deficit), Ending	\$ -	\$ 963	\$ (909)	\$ 20,317	\$ -	\$ 744	\$ (9,118)	\$ 2,033	\$ 335,149

OTHER INFORMATION

Village of Hales Corners

Schedule of General Obligation Long-Term Debt -
Principal Payments
December 31, 2024

Year	2012 General Obligation Bond	2015 General Obligation Bond	2018 General Obligation Bond	2019 General Obligation Bond	2020 General Obligation Bond	2022 General Obligation Bond	2024 General Obligation Bond	Total
2025	\$ 335,000	\$ 75,000	\$ 200,000	\$ 105,000	\$ 45,000	\$ 160,000	\$ 110,000	\$ 1,030,000
2026	350,000	70,000	200,000	105,000	45,000	100,000	100,000	970,000
2027	325,000	75,000	215,000	105,000	45,000	105,000	105,000	975,000
2028	340,000	80,000	215,000	110,000	45,000	105,000	110,000	1,005,000
2029	350,000	85,000	215,000	110,000	50,000	110,000	115,000	1,035,000
2030-2034	200,000	365,000	1,785,000	605,000	50,000	605,000	645,000	4,255,000
2035-2039	-	70,000	1,505,000	635,000	-	760,000	-	2,970,000
2040-2042	-	-	-	-	-	770,000	-	770,000
	<u>\$ 1,900,000</u>	<u>\$ 820,000</u>	<u>\$ 4,335,000</u>	<u>\$ 1,775,000</u>	<u>\$ 280,000</u>	<u>\$ 2,715,000</u>	<u>\$ 1,185,000</u>	<u>\$ 13,010,000</u>

Village of Hales Corners

Schedule of General Obligation Long-Term Debt -
Interest Payments
December 31, 2024

Year	2012 General Obligation Bond	2015 General Obligation Bond	2018 General Obligation Bond	2019 General Obligation Bond	2020 General Obligation Bond	2022 General Obligation Bond	2024 General Obligation Bond	Total
2025	\$ 45,188	\$ 24,863	\$ 159,356	\$ 44,931	\$ 4,825	\$ 129,563	\$ 37,270	\$ 445,996
2026	37,135	22,613	151,356	41,781	3,475	121,563	48,500	426,423
2027	28,873	20,513	143,356	38,631	2,125	116,563	43,374	393,435
2028	20,305	18,263	134,756	35,481	1,225	111,313	38,000	359,343
2029	10,900	15,863	126,156	32,181	750	106,063	32,375	324,288
2030-2034	6,000	43,675	460,618	118,769	250	444,938	72,350	1,146,600
2035-2039	-	2,188	132,370	47,531	-	292,062	-	474,151
2040-2042	-	-	-	-	-	73,388	-	73,388
	<u>\$ 148,401</u>	<u>\$ 147,978</u>	<u>\$ 1,307,968</u>	<u>\$ 359,305</u>	<u>\$ 12,650</u>	<u>\$ 1,395,453</u>	<u>\$ 271,869</u>	<u>\$ 3,643,624</u>