

VILLAGE OF SHELDON, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024



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**VILLAGE OF SHELDON, WISCONSIN
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YEAR ENDED DECEMBER 31, 2024**

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INDEPENDENT AUDITORS' REPORT

The Village Board
Village of Sheldon
Sheldon, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Sheldon, Wisconsin (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, business-type activities, each major fund and the aggregate remaining fund information of the Village of Sheldon, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under 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 the Village of Sheldon and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Sheldon's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 15, 2025

**VILLAGE OF SHELDON, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 226,310	\$ 200,652	\$ 426,962
Taxes Receivable	33,014	7,512	40,526
Accounts Receivable	2,730	50,671	53,401
Internal Balances	115,693	(115,693)	-
Restricted Assets:			
Cash and Investments	-	32,923	32,923
Capital Assets:			
Capital Assets Not Being Depreciated	15,800	120,963	136,763
Capital Assets Being Depreciated	841,628	2,330,770	3,172,398
Accumulated Depreciation	(326,275)	(1,291,407)	(1,617,682)
Total Assets	908,900	1,336,391	2,245,291
LIABILITIES			
Vouchers and Accounts Payable	821	1,122	1,943
Accrued Interest Payable	-	799	799
Long-Term Liabilities:			
Amounts Due Within One Year	5,134	13,434	18,568
Amounts Due in More than One Year	25,672	198,972	224,644
Total Liabilities	31,627	214,327	245,954
DEFERRED INFLOWS OF RESOURCES			
Subsequent Year's Property Taxes	37,576	-	37,576
NET POSITION			
Net Investment in Capital Assets	500,347	947,920	1,448,267
Restricted for:			
Debt Retirement	-	13,397	13,397
Capital Assets Replacement	-	14,406	14,406
Unrestricted	339,350	146,341	485,691
Total Net Position	\$ 839,697	\$ 1,122,064	\$ 1,961,761

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF SHELDON, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position		
		Charges For Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
PRIMARY GOVERNMENT						
Governmental Activities:						
General Government	\$ 71,216	\$ 2,559	\$ -	\$ (68,657)	\$ -	\$ (68,657)
Public Safety	40,442	5	556	(39,881)	-	(39,881)
Transportation Facilities	33,960	-	13,341	(20,619)	-	(20,619)
Sanitation and Health	14,970	3,650	-	(11,320)	-	(11,320)
Leisure Activities	22,674	-	-	(22,674)	-	(22,674)
Public Service Enterprise	1,300	-	-	(1,300)	-	(1,300)
Interest and Fiscal Charges	15	-	-	(15)	-	(15)
Total Governmental Activities	184,577	6,214	13,897	(164,466)	-	(164,466)
Business-Type Activities:						
Water Utility	62,110	71,930	-	-	9,820	9,820
Sewer Utility	83,832	107,412	-	-	23,580	23,580
Total Business-Type Activities	145,942	179,342	-	-	33,400	33,400
Total Primary Government	\$ 330,519	\$ 185,556	\$ 13,897	(164,466)	33,400	(131,066)
GENERAL REVENUES AND TRANSFERS:						
Taxes:						
Property Taxes, Levied for General Purposes				36,678	-	36,678
State and Federal Aids Not Restricted to Specific Function				141,174	-	141,174
Interest and Investment Earnings				-	3,014	3,014
Rents				9,625	-	9,625
Miscellaneous				185	-	185
Transfers				25,360	(25,360)	-
Total General Revenues and Transfers				213,022	(22,346)	190,676
CHANGE IN NET POSITION						
				48,556	11,054	59,610
Net Position - Beginning of Year				791,141	1,111,010	1,902,151
NET POSITION - END OF YEAR						
				\$ 839,697	\$ 1,122,064	\$ 1,961,761

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF SHELDON, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	<u>General Fund</u>
ASSETS	
Treasurer's Cash and Investments	\$ 226,310
Taxes Receivable:	
General Property Taxes	30,648
Delinquent Utility Billings Held by County	2,366
Other Receivables	2,730
Due from Other Funds:	
Water Utility	47,116
Sewer Utility	<u>133,238</u>
 Total Assets	 <u><u>\$ 442,408</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
LIABILITIES	
Vouchers and Accounts Payable	\$ 821
Due to Other Funds:	
Water Utility	30,632
Sewer Utility	<u>34,029</u>
Total Liabilities	65,482
DEFERRED INFLOWS OF RESOURCES	
Subsequent Year's Property Taxes	37,576
FUND BALANCE	
Nonspendable	2,366
Unassigned	<u>336,984</u>
Total Fund Balance	<u>339,350</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u><u>\$ 442,408</u></u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF SHELDON, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Fund	\$	339,350
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land		15,800
Buildings		237,361
Equipment		76,776
Vehicles		40,724
Infrastructure		486,767
Accumulated Depreciation		<u>(326,275)</u>
Total		531,153

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

and payable in the current period and therefore are not reported in the funds. Financed Purchase		<u>(30,806)</u>
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Net Position of Governmental Activities	\$	<u><u>839,697</u></u>
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**VILLAGE OF SHELDON, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	General Fund
REVENUES	
Taxes	\$ 36,678
Intergovernmental	155,071
Licenses and Permits	195
Public Charges for Services	3,650
Miscellaneous:	
Rent	9,625
Utility Reimbursements	2,369
Other	185
Total Revenues	207,773
EXPENDITURES	
General Government	72,989
Public Safety	38,174
Transportation Facilities	22,840
Sanitation and Health	14,970
Leisure Activities	14,787
Public Service Enterprise	1,300
Capital Outlay	30,806
Debt Service:	
Principal	10,283
Interest and Fiscal Charges	25
Total Expenditures	206,174
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,599
OTHER FINANCING SOURCES	
Long-Term Debt Issued	30,806
Transfer In	25,360
Total Other Financing Sources	56,166
NET CHANGE IN FUND BALANCE	57,765
Fund Balance - Beginning of Year	281,585
FUND BALANCE - END OF YEAR	\$ 339,350

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF SHELDON, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Total Governmental Fund \$ 57,765

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period these amounts are:

Capital Outlays Reported in Governmental Fund Statements	30,806
Depreciation Expense Reported in the Statement of Activities	<u>(21,275)</u>
Total	<u>9,531</u>

In the statement of activities, only the gain or loss on the disposal of capital assets is reported whereas in the governmental funds, the proceeds from sales increase financial resources and trade-ins are not reflected in capital outlays. 1,773

Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the Statement of Net Position and does not affect the Statement of Activities. Long-term debt incurred in the current year is:

Financed Purchase	<u>(30,806)</u>
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Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year these repayment amounts consist of:

Clean Water Fund General Obligation Promissory Notes	10,283
Change in Accrued Interest Payable	<u>10</u>
Total	<u>10,293</u>

Change in Net Position of Governmental Activities \$ 48,556

**VILLAGE OF SHELDON, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024**

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
ASSETS			
Current Assets:			
Cash and Investments	\$ 171,709	\$ 28,943	\$ 200,652
Customer Accounts Receivable	10,165	40,506	50,671
Accounts Receivable on Tax Roll	2,818	4,694	7,512
Due from Other Funds:			
General Fund	30,632	34,029	64,661
Sewer Utility Enterprise Fund	499	-	499
Total Current Assets	215,823	108,172	323,995
Restricted Assets:			
Cash and Investments:			
Bond Redemption Fund	-	18,517	18,517
Depreciation Fund	-	14,406	14,406
Total Restricted Assets	-	32,923	32,923
Capital Assets:			
Property and Plant in Service	903,053	1,548,680	2,451,733
Less: Accumulated Depreciation	701,578	589,829	1,291,407
Total Capital Assets	201,475	958,851	1,160,326
Total Assets	\$ 417,298	\$ 1,099,946	\$ 1,517,244

See accompanying Notes to Basic Financial Statements.

VILLAGE OF SHELDON, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
DECEMBER 31, 2024

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
LIABILITIES			
Current Liabilities Payable from			
Current Assets:			
Accounts Payable	\$ 1,122	\$ -	\$ 1,122
Due to Other Funds:			
General Fund	47,116	133,238	180,354
Water Utility Enterprise Fund	-	499	499
Current Portion of Financed Purchase Obligations	2,567	2,567	5,134
Current Portion of Revenue Bonds	-	3,979	3,979
Total Current Liabilities Payable from Current Assets	50,805	140,283	191,088
Current Liabilities Payable from			
Restricted Assets:			
Accrued Interest Payable	-	799	799
Current Portion of Revenue Bonds	-	4,321	4,321
Total Current Liabilities Payable from Restricted Assets	-	5,120	5,120
Long-Term Liabilities:			
Mortgage Revenue Bonds (Net of Current Portion)	-	173,300	173,300
Financed Purchase Obligations	12,836	12,836	25,672
Total Long-Term Liabilities	12,836	186,136	198,972
Total Liabilities	63,641	331,539	395,180
NET POSITION			
Net Investment in Capital Assets	186,072	761,848	947,920
Restricted for Debt Retirement	-	13,397	13,397
Restricted for Capital Assets Replacement	-	14,406	14,406
Unrestricted	167,585	(21,244)	146,341
Total Net Position	353,657	768,407	1,122,064
Total Liabilities and Net Position	\$ 417,298	\$ 1,099,946	\$ 1,517,244

See accompanying Notes to Basic Financial Statements.

VILLAGE OF SHELDON, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
OPERATING REVENUES			
Sales of Water/Sewerage Revenues:			
Residential	\$ 24,888	\$ 70,042	\$ 94,930
Commercial	11,713	22,261	33,974
Multifamily	2,686	-	2,686
Public Authorities	1,202	2,437	3,639
Public Fire Protection	30,632	-	30,632
Health Benefit Payment from General Fund	-	12,000	12,000
Total Sales of Water/Sewerage Revenues	<u>71,121</u>	<u>106,740</u>	<u>177,861</u>
Other Operating Revenues:			
Forfeited Discounts	310	672	982
Meter Charge to Sewer	499	-	499
Total Other Operating Revenues	<u>809</u>	<u>672</u>	<u>1,481</u>
Total Operating Revenues	71,930	107,412	179,342
OPERATING EXPENSES			
Operation and Maintenance:			
Operation	22,850	41,764	64,614
Maintenance	1,559	-	1,559
Administrative and General	16,828	5,080	21,908
Total Operation and Maintenance	<u>41,237</u>	<u>46,844</u>	<u>88,081</u>
Depreciation	20,873	28,543	49,416
Total Operating Expenses	<u>62,110</u>	<u>75,387</u>	<u>137,497</u>
OPERATING INCOME	9,820	32,025	41,845
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	2,981	33	3,014
Interest Expense	-	(8,445)	(8,445)
Total Nonoperating Revenues (Expenses)	<u>2,981</u>	<u>(8,412)</u>	<u>(5,431)</u>
INCOME BEFORE TRANSFERS	12,801	23,613	36,414
TRANSFERS			
Transfer to General Fund	<u>(25,360)</u>	-	<u>(25,360)</u>
CHANGE IN NET POSITION	(12,559)	23,613	11,054
Net Position - Beginning of Year	<u>366,216</u>	<u>744,794</u>	<u>1,111,010</u>
NET POSITION - END OF YEAR	<u>\$ 353,657</u>	<u>\$ 768,407</u>	<u>\$ 1,122,064</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF SHELDON, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2024**

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 37,912	\$ 81,923	\$ 119,835
Cash Received from Municipality for Prior Year:			
Customer Billings Placed on Tax Rolls	3,841	10,029	13,870
Cash Received for Public Fire Protection	30,632	-	30,632
Cash Received for Health Benefit Charge	-	1,971	1,971
Cash Received (Paid) for Meter Related Charges	499	(499)	-
Cash Payments to Suppliers for Goods and Services	(21,561)	(43,027)	(64,588)
Cash Payments for Employee Services	(23,523)	(11,173)	(34,696)
Net Cash Provided by Operating Activities	<u>27,800</u>	<u>39,224</u>	<u>67,024</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Payment for Tax Equivalent to General Village	<u>(25,360)</u>	<u>-</u>	<u>(25,360)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Paid for Capital Assets	(23,666)	(79,242)	(102,908)
Cash Received from Long-Term Debt	15,403	15,403	30,806
Cash Paid for Principal Retirement of Long-Term Debt	-	(13,043)	(13,043)
Cash Paid for Interest Charges on Long-Term Debt	-	(8,444)	(8,444)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(8,263)</u>	<u>(85,326)</u>	<u>(93,589)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Received from Interest on Investments	2,981	33	3,014
Cash Payments for Purchase of Investments	(2,034)	-	(2,034)
Net Cash Provided by Investing Activities	<u>947</u>	<u>33</u>	<u>980</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,876)	(46,069)	(50,945)
Cash and Cash Equivalents - Beginning of Year	<u>108,905</u>	<u>107,935</u>	<u>216,840</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 104,029</u>	<u>\$ 61,866</u>	<u>\$ 165,895</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF SHELDON, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2024**

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 9,820	\$ 32,025	\$ 41,845
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:			
Depreciation	20,873	28,543	49,416
(Increase) Decrease in Assets:			
Customer Accounts Receivable	(69)	(8,795)	(8,864)
Accounts Receivable on Tax Roll	1,023	5,335	6,358
Due from Other Funds	533	(10,029)	(9,496)
Increase (Decrease) in Liabilities:			
Accounts Payable	(7,327)	(118)	(7,445)
Due to Other Funds	2,947	(7,737)	(4,790)
Net Cash Provided by Operating Activities	\$ 27,800	\$ 39,224	\$ 67,024
 RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS			
Cash and Investments:			
Cash and Investments	\$ 171,709	\$ 28,943	\$ 200,652
Cash and Investments - Restricted	-	32,923	32,923
Total	171,709	61,866	233,575
Less: Certificates of Deposit with a Maturity Greater than Three Months	67,680	-	67,680
Cash and Cash Equivalents	\$ 104,029	\$ 61,866	\$ 165,895

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF SHELDON, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2024**

	Custodial Fund
ASSETS	
Cash and Investments	\$ 7,802
Taxes Receivable	166,819
Total Assets	174,621
 DEFERRED INFLOWS OF RESOURCES	
Subsequent Year's Property Taxes	174,621
 NET POSITION	
Restricted	\$ -

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF SHELDON, WISCONSIN
 STATEMENT OF CHANGES IN NET POSITION
 FIDUCIARY FUND
 YEAR ENDED DECEMBER 31, 2024**

	Custodial Fund
ADDITIONS	
Tax Collections for Other Governments	\$ 157,348
DEDUCTIONS	
Payment of Taxes to Other Governments	157,348
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	-
NET POSITION - END OF YEAR	\$ -

See accompanying Notes to Basic Financial Statements.

VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Sheldon (the "Village") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Village are described below:

A. Reporting Entity

The Village of Sheldon is governed by a five-member elected board consisting of the Village president and four trustees elected at-large.

The financial reporting of the Village is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the Village consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the Village.

B. Government-Wide and Fund Financial Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds) as described below:

Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which 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 equity, revenues, and expenditures/expenses.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental fund:

General Fund – The General Fund is the operating fund of the Village. It is used to account for all financial resources of the Village, except those required to be accounted for in another fund.

The Village reports the following major enterprise funds:

Water Utility – This fund accounts for the operations of the water system. Utility operations are subject to regulation by the Wisconsin Public Service Commission.

Sewer Utility – This fund accounts for the operations of the sewer collection system and treatment facilities.

Additionally, the Village reports the following fiduciary fund:

Fiduciary Fund – This fund is used to account for the collection of property taxes for other governmental entities.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements, the proprietary funds and fiduciary fund financial statements, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned.

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues reported in the governmental funds to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, miscellaneous taxes, public charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in financial statements and accompanying notes. Actual results could differ from those estimates.

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

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

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities issued or guaranteed by the federal government.
- c. 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, or by the University of Wisconsin Hospitals and Clinics Authority.
- d. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- e. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- f. Bonds or securities issued under the authority of the municipality.
- g. The local government investment pool.
- h. Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions, and grant resolutions.

Investment of most trust funds is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds, and debentures.

Investments of the Village are stated at fair value.

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

2. Receivables and Payables

Property Taxes. Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. The resulting tax roll for which amounts have been collected for other taxing jurisdictions by December 31 is recorded in the Village's custodial fund as a deferred inflows of resources for the succeeding year's property taxes. Since Village property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted.

Real property taxes are payable in full on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings) and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes, are turned over to the Rusk County Treasurer for collection in February. Rusk County subsequently settles in full with the Village in August of the same year, except for uncollected delinquent special assessments and special charges. Delinquent personal property taxes are retained by the Village for collection. A portion of the fund balance in the general fund is nonspendable for the Village's investment in delinquent taxes.

Accounts Receivable. All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Interfund Balances. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are classified as nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

5. Capital Assets

Government-Wide Statements. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with initial, individual costs as shown below and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The Village's policy is to prospectively report infrastructure acquired after its adoption of GASB Statement No. 34 on January 1, 2004.

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

5. Capital Assets (Continued)

Government-Wide Statements (Continued). Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land and Land Rights	\$2,500	N/A	
Buildings	2,500	Straight-Line	40 to 50 Years
Equipment and Vehicles	2,500	Straight-Line	6 to 25 Years
Utility Systems	2,500	Straight-Line	4 to 100 Years
Infrastructure	2,500	Straight-Line	30 to 50 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. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

6. Deferred Outflows of Resources

The Village reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental fund balance sheet. No deferred outflows of resources are reported in these financial statements in the current year.

7. Deferred Inflows of Resources

The Village's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The Village will not recognize the related revenue until a future event occurs. The Village has two types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the Village's year) under the modified accrual basis of accounting. The Village does not have deferred inflows of resources to report in its proprietary fund financial statements in the current year.

VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

8. Compensated Absences

The Village does not have a sick leave benefit program and does not allow employees to accumulate vacation. Any vacation time not used by year-end is paid out to employees.

9. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt, financed purchase, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Defining Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water utility and sewer utility are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

11. Use of Restricted Resources

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.

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

12. Equity Classifications

Fund equity, representing the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources, is classified as follows in the Village's financial statements:

Government-Wide, Proprietary Fund, and Fiduciary Fund Financial Statements.

Fund equity is classified as net position in the government-wide, proprietary fund and fiduciary fund financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the Village's general fund and includes all spendable amounts not contained in the other classifications. The Village has not established a minimum fund balance policy.

Committed fund balance is required to be established, modified, or rescinded by resolution of the Village Board prior to each year-end. When restricted and unrestricted fund balance is available for expenditure, it is the Village's practice to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for expenditure, it is the Village's practice to use committed, assigned and finally unassigned fund balance.

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

Actual expenditures exceeded budgeted amounts in the general fund as follows:

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
EXPENDITURES			
General Government	\$ 67,601	\$ 72,989	\$ (5,388)
Public Safety	37,631	38,174	(543)
Leisure Activities	11,450	14,787	(3,337)
Public Service Enterprise	1,200	1,300	(100)
Capital Outlay	18,644	30,806	(12,162)
Debt Service - Principal	6,788	10,283	(3,495)

These overages were considered necessary and authorized by the Village Board.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The Village's cash and investments balances at December 31, 2024 as shown in the financial statements are as follows:

Governmental Funds	\$ 226,310
Proprietary Funds	233,575
Custodial Fund	7,802
Total	\$ 467,687

The above cash and investment balances consisted entirely of deposits in financial institutions.

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions

The Village's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and coverage of up to an additional \$250,000 for demand deposit accounts. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage under the State Guarantee Fund may not exceed \$1,000,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the Village to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that, in the event of bank failure, the Village's deposits may not be returned. At December 31, 2024, the Village's deposits were not exposed to custodial credit risk.

B. Capital Assets

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

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 15,800	\$ -	\$ -	\$ 15,800
Capital Assets Being Depreciated:				
Buildings	237,361	-	-	237,361
Equipment	56,304	30,806	10,334	76,776
Vehicles	40,724	-	-	40,724
Infrastructure	486,767	-	-	486,767
Total Capital Assets Being Depreciated	<u>821,156</u>	<u>30,806</u>	<u>10,334</u>	<u>841,628</u>
Total Capital Assets	836,956	30,806	10,334	857,428
Accumulated Depreciation:				
Buildings	130,567	5,889	-	136,456
Equipment	34,255	5,651	10,334	29,572
Vehicles	42,497	-	1,773	40,724
Infrastructure	109,788	9,735	-	119,523
Total Accumulated Depreciation	<u>317,107</u>	<u>21,275</u>	<u>12,107</u>	<u>326,275</u>
Net Capital Assets - Governmental Activities	<u>\$ 519,849</u>	<u>\$ 9,531</u>	<u>\$ (1,773)</u>	<u>\$ 531,153</u>

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets (Continued)

Governmental Activities (Continued)

Depreciation was charged to governmental functions as follows:

Public Safety	\$ 2,268
Transportation Facilities	11,120
Leisure Activities	<u>7,887</u>
Total	<u>\$ 21,275</u>

Business-Type Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Water Utility:				
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ 7,124	\$ -	\$ -	\$ 7,124
Capital Assets Being Depreciated:				
Source of Supply	225,009	-	-	225,009
Pumping Plant	32,430	8,263	-	40,693
Water Treatment	11,013	-	-	11,013
Transmission and Distribution	596,416	-	-	596,416
Administration and General Assets	<u>7,395</u>	<u>15,403</u>	-	<u>22,798</u>
Total Capital Assets Being Depreciated	<u>872,263</u>	<u>23,666</u>	<u>-</u>	<u>895,929</u>
Total Capital Assets - Water Utility	879,387	23,666	-	903,053
Less: Accumulated Depreciation	<u>680,705</u>	<u>20,873</u>	<u>-</u>	<u>701,578</u>
Net Capital Assets - Water Utility	198,682	2,793	-	201,475
Sewer Utility:				
Capital Assets Not Being Depreciated:				
Land and Land Rights	50,000	-	-	50,000
Construction Work in Progress	<u>-</u>	<u>63,839</u>	-	<u>63,839</u>
Total Capital Assets Not Being Depreciated	<u>50,000</u>	<u>63,839</u>	<u>-</u>	<u>113,839</u>
Capital Assets Being Depreciated:				
Collection System	353,386	-	-	353,386
Collection System Pumping Installations	157,307	-	-	157,307
Treatment and Disposal Plant	881,042	-	-	881,042
Administration and General Assets	<u>27,703</u>	<u>15,403</u>	-	<u>43,106</u>
Total Capital Assets Being Depreciated	<u>1,419,438</u>	<u>15,403</u>	<u>-</u>	<u>1,434,841</u>
Total Capital Assets - Sewer Utility	1,469,438	79,242	-	1,548,680
Less: Accumulated Depreciation	<u>561,286</u>	<u>28,543</u>	<u>-</u>	<u>589,829</u>
Net Capital Assets - Sewer Utility	<u>908,152</u>	<u>50,699</u>	<u>-</u>	<u>958,851</u>
Net Capital Assets - Business-Type Activities	<u>\$ 1,106,834</u>	<u>\$ 53,492</u>	<u>\$ -</u>	<u>\$ 1,160,326</u>

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets (Continued)

Business-Type Activities (Continued)

Depreciation was charged to business-type activities as follows:

Water	\$	20,873
Sewer		28,543
Total		49,416

C. Interfund Receivables, Payables, and Transfers

Due from/to Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Water Utility	\$ 47,116
General Fund	Sewer Utility	133,238
Water Utility	General Fund	30,632
Sewer Utility	General Fund	34,029
Water Utility	Sewer Utility	499
		\$ 245,514

The above balances consist of 2024 tax roll items, public fire protection, payment in lieu of taxes, and temporary financing of labor and other operating costs between funds. It is expected that these amounts will be settled in 2025.

Interfund balances that are owed within the governmental activities and business-type activities are eliminated in the statement of net position.

Interfund Transfers

The property tax equivalent paid by the water utility to the general fund in the amount of \$25,360 is reflected as an interfund transfer in the financial statements.

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations

Changes in Long-Term Obligations

The following is a summary of long-term debt transactions of the Village for the year ended December 31, 2024:

	Balance 1/1/24	Issued	Retired	Balance 12/31/24	Amounts Due Within One Year
Governmental Activities:					
General Obligation Notes -					
Direct Borrowing	\$ 10,283	\$ -	\$ 10,283	\$ -	\$ -
Financed Purchase - Direct Borrowing	-	30,806	-	30,806	5,134
Total Governmental Activities	<u>10,283</u>	<u>30,806</u>	<u>10,283</u>	<u>30,806</u>	<u>5,134</u>
Business-Type Activities:					
Mortgage Revenue Bonds:					
Sewer Utility	194,641	-	13,041	181,600	8,300
Financed Purchase - Direct Borrowing:					
Sewer Utility	-	15,403	-	15,403	2,567
Water Utility	-	15,403	-	15,403	2,567
Total Business-Type Activities	<u>194,641</u>	<u>30,806</u>	<u>13,041</u>	<u>212,406</u>	<u>13,434</u>
 Total Long-Term Debt	 <u>\$ 204,924</u>	 <u>\$ 61,612</u>	 <u>\$ 23,324</u>	 <u>\$ 243,212</u>	 <u>\$ 18,568</u>

General Obligation Debt Limitation. Section 67.03 of the Wisconsin Statutes restricts general obligation debt to 5% of the equalized value of all property in the Village. At December 31, 2024 the Village's debt limit amounted to \$633,730 and indebtedness subject to the limitation was \$0.

Annual Requirements for Retirement. Minimum annual principal and interest payments required to retire long-term debt, together with the expected funding sources, are shown below:

Year	Business-Type Activities		
	Bonded Debt		Total
	Principal	Interest	
2025	\$ 8,300	\$ 8,070	\$ 16,370
2026	8,700	7,693	16,393
2027	9,100	7,297	16,397
2028	9,500	6,883	16,383
2029	9,900	6,450	16,350
2030-2034	69,800	28,484	98,284
2035-2040	66,300	7,652	73,952
Total	<u>\$ 181,600</u>	<u>\$ 72,529</u>	<u>\$ 254,129</u>

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

Sewage System Mortgage Revenue Bonds

At December 31, 2024 the Village had one sewage system mortgage revenue bond issues outstanding. The Village's full faith and credit do not back the mortgage revenue bonds which are backed only by the assets and revenues of the sewer utility enterprise fund. The owners of the revenue bonds hold a mortgage lien on the Village's sewer utility system for the life of the bond.

On June 1, 2000, the Village obtained a Rural Development Loan from the United States Department of Agriculture, Rural Development, in the amount of \$302,500 to provide financing for sewage system improvements. The remaining principal balance at December 31, 2024 is \$181,600.

According to the resolution authorizing the issuance of the sewer system revenue bonds, the utility is to set aside gross revenues in separate and special funds as follows:

- 1) Operation and Maintenance Fund
- 2) Debt Service Fund
- 3) Depreciation Fund

These funds have been established on the utility records. These funds meet the combined requirements of the Rural Development Loan. Special requirements pertaining to the establishment, use and balances required in the above funds are detailed in the authorizing resolutions.

Financed Purchase – Direct Borrowing

The Village entered into one financed purchase agreement with John Deere Financial for the acquisition of a tractor. The balance of this liability on December 31, 2024 was \$61,612.

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

Financed Purchase – Direct Borrowing (Continued)

The agreement states that in the event of default the Village is subject to one or more remedy options: a. recovery of the account balance due as of the date of the default, b. require return of equipment, c. sale of equipment with proceeds going against amount the remaining amount due, d. recovery of any losses, claims, damages or expenses in connection with the agreement, and e. take on Village behalf and expense any action required by the agreement which the Village failed to take.

The principal and interest payments under lease agreements are as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 5,134	\$ -	\$ 5,134
2026	5,134	-	5,134
2027	5,134	-	5,134
2028	5,134	-	5,134
2029	5,134	-	5,134
2030	5,136	-	5,136
Total	<u>\$ 30,806</u>	<u>\$ -</u>	<u>\$ 30,806</u>

<u>Fiscal Year Ending December 31,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 5,134	\$ -	\$ 5,134
2026	5,134	-	5,134
2027	5,134	-	5,134
2028	5,134	-	5,134
2029	5,134	-	5,134
2030	5,136	-	5,136
Total	<u>\$ 30,806</u>	<u>\$ -</u>	<u>\$ 30,806</u>

E. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2024 consisted of the following:

	<u>Total</u>	<u>Nonspendable</u>	<u>Unassigned</u>
General Fund:			
Delinquent Taxes	\$ 2,366	\$ 2,366	\$ -
Unassigned	336,984	-	336,984
Total Fund Balance	<u>\$ 339,350</u>	<u>\$ 2,366</u>	<u>\$ 336,984</u>

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION

A. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three years.

B. Contingencies

Federal and State Grant Programs

The County participates in various federal and state grant program, which are subject to program compliance. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SHELDON, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 36,900	\$ 36,900	\$ 36,678	\$ (222)
Intergovernmental	110,492	110,492	155,071	44,579
Licenses and Permits	400	400	195	(205)
Public Charges for Services	2,250	2,250	3,650	1,400
Miscellaneous:				
Interest	500	500	-	(500)
Rent and Leases on Village Property	8,500	8,500	9,625	1,125
Utility Reimbursements	2,500	2,500	2,369	(131)
Other	-	-	185	185
Total Revenues	<u>161,542</u>	<u>161,542</u>	<u>207,773</u>	<u>46,231</u>
EXPENDITURES				
General Government	67,601	67,601	72,989	(5,388)
Public Safety	37,631	37,631	38,174	(543)
Transportation Facilities	25,000	25,000	22,840	2,160
Sanitation and Health	18,500	18,500	14,970	3,530
Leisure Activities	11,450	11,450	14,787	(3,337)
Public Service Enterprise	1,200	1,200	1,300	(100)
Capital Outlay	18,644	18,644	30,806	(12,162)
Debt Service:				
Principal	6,788	6,788	10,283	(3,495)
Interest and Fiscal Charges	88	88	25	63
Total Expenditures	<u>186,902</u>	<u>186,902</u>	<u>206,174</u>	<u>(19,272)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,360)	(25,360)	1,599	26,959
OTHER FINANCING SOURCES				
Long-Term Debt Issued	-	-	30,806	30,806
Transfer In	25,360	25,360	25,360	-
Total Other Financing Sources	<u>25,360</u>	<u>25,360</u>	<u>56,166</u>	<u>30,806</u>
NET CHANGE IN FUND BALANCE	-	-	57,765	57,765
Fund Balance - Beginning of Year	<u>281,585</u>	<u>281,585</u>	<u>281,585</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 281,585</u>	<u>\$ 281,585</u>	<u>\$ 339,350</u>	<u>\$ 57,765</u>

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF SHELDON, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

NOTE 1 BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund. Budgetary information is derived from the Village's annual operating budget.

The Village's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The Village's legal budget is adopted at the major function level in the general fund (i.e., general government).

Budget amounts in the financial statements include both original adopted budget and the final budget. Changes to the budget during the year generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

NOTE 2 EXCESS OF EXPENDITURES OVER BUDGET

Comparisons of actual revenues and expenditures to budgeted amounts for the Village's general fund are presented as required supplementary information following the notes to the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for that fund are shown in that schedule and as disclosed in Note 2 to the basic financial statements.



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