VILLAGE OF HARRISON, WISCONSIN

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

Village Board
Village of Harrison
Harrison, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Harrison, Wisconsin, as of and for the year ended December 31, 2025, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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.

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Village Board
Village of Harrison, Wisconsin

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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Village of Harrison'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 Village of Harrison'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 schedules relating to pensions 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 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Harrison's basic financial statements. The schedules of general fund budgeted and actual revenues and expenditures and the combining fund financial statements are presented for purposes of additional analysis and are 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 GAAS. In our opinion, schedules of general fund budgeted and actual revenues and expenditures and the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2026, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 15, 2026

BASIC FINANCIAL STATEMENTS

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 27,147,091	$ 6,442,332	$ 33,589,423
Receivables:			
Taxes and Special Charges	7,099,666	19,670	7,119,336
Accounts	28,204	275,068	303,272
Special Assessments	1,059,566	14,831	1,074,397
Other	-	18,938	18,938
Due from Other Governments	-	423,846	423,846
Inventories and Deposit	995,115	28,025	1,023,140
Restricted Assets:			
Cash and Investments	817,648	1,673,081	2,490,729
Capital Assets, Nondepreciable	12,759,105	122,204	12,881,309
Capital Assets, Depreciable and Amortizable	26,234,002	22,847,607	49,081,609
Total Assets	76,140,397	31,865,602	108,005,999
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	641,152	164,986	806,138
LIABILITIES			
Accounts Payable	1,922,026	172,990	2,095,016
Accrued and Other Current Liabilities	74,629	-	74,629
Due to Other Governments	1,802	-	1,802
Accrued Interest Payable	246,794	-	246,794
Special Deposits	328,500	-	328,500
Unearned Revenues	65,953	-	65,953
Long-Term Obligations:			
Due Within One Year	1,503,155	48,221	1,551,376
Due in More Than One Year	20,726,104	302,876	21,028,980
Net Pension Liability	101,554	27,082	128,636
Total Liabilities	24,970,517	551,169	25,521,686
DEFERRED INFLOWS OF RESOURCES			
Property Taxes and Special Charges Levied for Subsequent Year	10,662,918	-	10,662,918
Pension Related Amounts	305,993	81,602	387,595
Total Deferred Inflows of Resources	10,968,911	81,602	11,050,513
NET POSITION			
Net Investment in Capital Assets	24,072,553	22,976,522	47,049,075
Restricted:			
Park Improvements	384,926	-	384,926
Law Enforcement Impact Fee Purposes	122,801	-	122,801
Fire Department Impact Fee Purposes	1,015,284	-	1,015,284
Transportation Impact Fee Purposes	383,652	-	383,652
Fire Department	418,916	-	418,916
Stormwater	716,552	-	716,552
TID Project Costs	2,987,042	-	2,987,042
Unrestricted	10,740,395	8,421,295	19,161,690
Total Net Position	$ 40,842,121	$ 31,397,817	$ 72,239,938

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenue (Expense) and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	$ 1,678,598	$ 524,525	$ -	$ -	$ (1,154,073)	$ -	$ (1,154,073)
Public Safety	1,991,546	1,594,990	182,290	137,754	(76,512)	-	(76,512)
Public Works	5,679,447	1,280,372	900,860	1,940,605	(1,557,610)	-	(1,557,610)
Culture and Recreation	391,573	3,626	-	52,401	(335,546)	-	(335,546)
Conservation and Development	1,735,622	-	7,917	-	(1,727,705)	-	(1,727,705)
Interest and Fiscal Charges	719,740	-	-	-	(719,740)	-	(719,740)
Total Governmental Activities	12,196,526	3,403,513	1,091,067	2,130,760	(5,571,186)	-	(5,571,186)
BUSINESS-TYPE ACTIVITIES							
Water Utility	1,601,658	1,533,809	-	852,266	-	784,417	784,417
Sewer Utility	1,169,384	1,367,617	-	794,331	-	992,564	992,564
Total Business-Type Activities	2,771,042	2,901,426	-	1,646,597	-	1,776,981	1,776,981
Total Primary Government	$ 14,967,568	$ 6,304,939	$ 1,091,067	$ 3,777,357	(5,571,186)	1,776,981	(3,794,205)
GENERAL REVENUES							
Taxes:							
Property Taxes Levied for General					1,800,000	-	1,800,000
Property Taxes Levied for Capital Projects					1,500,000		1,500,000
Property Taxes Levied for Tax Increments					2,667,167	-	2,667,167
Property Taxes Levied for Debt Service					1,300,000	-	1,300,000
Other Taxes					984	-	984
Federal and State Grants and Other Contributions Not Restricted to Specific Functions					586,606	-	586,606
Interest and Investment Earnings					1,237,517	324,652	1,562,169
Miscellaneous					143,825	-	143,825
Gain on Sale of Asset					28,527	-	28,527
Transfers					80,618	(80,618)	-
Total General Revenues and Transfers					9,345,244	244,034	9,589,278
CHANGE IN NET POSITION					3,774,058	2,021,015	5,795,073
Net Position - Beginning of Year					37,068,063	29,376,802	66,444,865
NET POSITION - END OF YEAR					$ 40,842,121	$ 31,397,817	$ 72,239,938

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Capital Projects	Debt Service
ASSETS			
Cash and Investments	$ 10,197,416	$ 9,368,089	$ 817,648
Receivables:			
Taxes and Special Charges	3,603,793	644,792	1,014,436
Accounts	28,204	-	-
Special Assessments	1,059,566	-	-
Due from Other Funds	1,364,986	-	-
Advance to Other Funds	583,357	-	-
Deposit	-	995,115	-
Total Assets	$ 16,837,322	$ 11,007,996	$ 1,832,084
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 633,908	$ 1,163,488	$ 950
Accrued and Other Current Liabilities	74,629	-	-
Due to Other Funds	-	-	-
Advance from Other Funds	-	-	-
Due to Other Governments	1,802	-	-
Special Deposits	328,500	-	-
Unearned Revenues	65,953	-	-
Total Liabilities	1,104,792	1,163,488	950
DEFERRED INFLOWS OF RESOURCES			
Property Taxes and Special Charges Levied for Subsequent Year	4,373,739	1,160,000	1,825,000
Unavailable Revenue - Special Assessments	712,966	-	-
Total Deferred Inflows of Resources	5,086,705	1,160,000	1,825,000
FUND BALANCES			
Nonspendable	583,357	995,115	-
Restricted	-	7,477,193	6,134
Assigned	3,927,401	212,200	-
Unassigned	6,135,067	-	-
Total Fund Balances	10,645,825	8,684,508	6,134
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 16,837,322	$ 11,007,996	$ 1,832,084

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2025

	Tax Incremental District No. 5	Nonmajor Governmental Funds	Total
ASSETS			
Cash and Investments	$ -	$ 7,581,586	$ 27,964,739
Receivables:			
Taxes and Special Charges	-	1,836,645	7,099,666
Accounts	-	-	28,204
Special Assessments	-	-	1,059,566
Due from Other Funds	-	-	1,364,986
Advance to Other Funds	-	-	583,357
Deposit	-	-	995,115
Total Assets	$ -	$ 9,418,231	$ 39,095,633
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 36,405	$ 87,275	$ 1,922,026
Accrued and Other Current Liabilities	-	-	74,629
Due to Other Funds	1,107,970	257,016	1,364,986
Advance from Other Funds	583,357	-	583,357
Due to Other Governments	-	-	1,802
Special Deposits	-	-	328,500
Unearned Revenues	-	-	65,953
Total Liabilities	1,727,732	344,291	4,341,253
DEFERRED INFLOWS OF RESOURCES			
Property Taxes and Special Charges Levied for Subsequent Year	-	3,304,179	10,662,918
Unavailable Revenue - Special Assessments	-	-	712,966
Total Deferred Inflows of Resources	-	3,304,179	11,375,884
FUND BALANCES			
Nonspendable	-	-	1,578,472
Restricted	-	6,029,173	13,512,500
Assigned	-	-	4,139,601
Unassigned	(1,727,732)	(259,412)	4,147,923
Total Fund Balances	(1,727,732)	5,769,761	23,378,496
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ -	$ 9,418,231	$ 39,095,633

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as Shown on Previous Page	$ 23,378,496
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	38,993,107
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	
Special Assessments	712,966
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.	
Deferred Outflows Related to Pensions	641,152
Deferred Inflows Related to Pensions	(305,993)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and Notes Payable	(21,673,129)
Premium on Debt	(556,130)
Net Pension Liability	(101,554)
Accrued Interest on Long-Term Obligations	(246,794)
Net Position of Governmental Activities as Reported on the Statement of Net Position	$ 40,842,121

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Capital Projects	Debt Service
REVENUES			
Taxes	$ 1,828,994	$ 1,500,000	$ 1,300,000
Special Assessments	477,637	-	-
Intergovernmental	1,641,339	-	-
Licenses and Permits	539,189	-	-
Fines and Forfeits	4,269	-	-
Public Charges for Services	1,940,552	-	-
Intergovernmental Charges for Services	203,112	-	-
Miscellaneous	823,507	448,264	-
Total Revenues	7,458,599	1,948,264	1,300,000
EXPENDITURES			
Current:			
General Government	1,152,370	-	-
Public Safety	2,233,925	-	-
Public Works	2,465,535	-	-
Culture and Recreation	91,317	-	-
Conservation and Development	167,326	-	-
Debt Service:			
Principal	-	-	1,175,000
Interest and Fiscal Charges	-	-	427,130
Capital Outlay	252,909	9,312,451	-
Total Expenditures	6,363,382	9,312,451	1,602,130
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,095,217	(7,364,187)	(302,130)
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	-	5,595,000	-
Premium on Debt Issued	-	-	165,849
Proceeds from Sale of Capital Assets	8,426	-	-
Transfers In	80,618	1,432,825	148,881
Transfers Out	(1,880,686)	-	(6,631)
Total Other Financing Sources (Uses)	(1,791,642)	7,027,825	308,099
NET CHANGE IN FUND BALANCE	(696,425)	(336,362)	5,969
Fund Balances - Beginning of Year, as Originally Reported	11,342,250	9,020,870	165
Change within Financial Reporting Entity	-	-	-
Fund Balances - Beginning of Year, as Adjusted	11,342,250	9,020,870	165
FUND BALANCES - END OF YEAR	$ 10,645,825	$ 8,684,508	$ 6,134

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Tax Incremental District No. 5	Tax Incremental District No. 2	Nonmajor Governmental Funds	Total
REVENUES				
Taxes	$ -	$ -	$ 2,667,167	$ 7,296,161
Special Assessments	-	-	-	477,637
Intergovernmental	-	-	91,816	1,733,155
Licenses and Permits	-	-	749,758	1,288,947
Fines and Forfeits	-	-	-	4,269
Public Charges for Services	-	-	484,958	2,425,510
Intergovernmental Charges for Services	-	-	-	203,112
Miscellaneous	-	-	254,315	1,526,086
Total Revenues	-	-	4,248,014	14,954,877
EXPENDITURES				
Current:				
General Government	-	-	-	1,152,370
Public Safety	-	-	-	2,233,925
Public Works	-	-	137,458	2,602,993
Culture and Recreation	-	-	-	91,317
Conservation and Development	709,248	-	1,557,878	2,434,452
Debt Service:				
Principal	-	-	171,871	1,346,871
Interest and Fiscal Charges	32,442	-	112,040	571,612
Capital Outlay	1,304,729	-	759,269	11,629,358
Total Expenditures	2,046,419	-	2,738,516	22,062,898
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,046,419)	-	1,509,498	(7,108,021)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	1,450,000	-	1,905,000	8,950,000
Premium on Debt Issued	-	-	-	165,849
Proceeds from Sale of Capital Assets	-	-	-	8,426
Transfers In	-	-	418,916	2,081,240
Transfers Out	-	-	(113,305)	(2,000,622)
Total Other Financing Sources (Uses)	1,450,000	-	2,210,611	9,204,893
NET CHANGE IN FUND BALANCE	(596,419)	-	3,720,109	2,096,872
Fund Balances - Beginning of Year, as Originally Reported	-	(515,893)	1,434,232	21,281,624
Change within Financial Reporting Entity	(1,131,313)	515,893	615,420	-
Fund Balances - Beginning of Year, as Adjusted	(1,131,313)	-	2,049,652	21,281,624
FUND BALANCES - END OF YEAR	$ (1,727,732)	$ -	$ 5,769,761	$ 23,378,496

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as Shown on Previous Page	$ 2,096,872
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 those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Assets Reported as Expenditures in Governmental Fund Statements	11,629,358
Items Reported as Capital Outlay, but not Capitalized	(1,276,441)
Contributed Capital Assets	1,079,316
Depreciation and Amortization Expense Reported in the Statement of Activities	(1,570,290)
Net Book Value of Disposals	(152,653)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	
Special Assessments	(135,162)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Long-Term Debt Issued	(8,950,000)
Premium on Debt Issued	(165,849)
Principal Repaid	1,346,871
Some expenses reported 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:	
Accrued Interest on Long-Term Debt	(209,530)
Amortization of Premiums, Discounts and Loss on Advance Refunding	61,402
Net Pension Liability	(15,329)
Deferred Outflows of Resources Related to Pensions	(123,335)
Deferred Inflows of Resources Related to Pensions	158,828
Change in Net Position of Governmental Activities as Reported in the Statement of Activities	$ 3,774,058

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Budget Original	Budget Final	Actual	Variance Final Budget - Positive (Negative)
REVENUES				
Taxes	$ 1,800,000	$ 1,800,000	$ 1,828,994	$ 28,994
Special Assessments	473,300	473,300	477,637	4,337
Intergovernmental	1,039,700	1,039,700	1,641,339	601,639
Licenses and Permits	281,400	281,400	539,189	257,789
Fines and Forfeits	6,000	6,000	4,269	(1,731)
Public Charges for Services	1,525,900	1,525,900	1,940,552	414,652
Intergovernmental Charges for Services	173,700	173,700	203,112	29,412
Miscellaneous	720,000	720,000	823,507	103,507
Total Revenues	6,020,000	6,020,000	7,458,599	1,438,599
EXPENDITURES				
Current:				
General Government	1,447,400	1,407,965	1,152,370	255,595
Public Safety	1,969,900	1,994,000	2,233,925	(239,925)
Public Works	2,445,700	2,461,035	2,465,535	(4,500)
Health and Human Services	500	500	-	500
Culture and Recreation	80,000	80,000	91,317	(11,317)
Conservation and Development	136,500	136,500	167,326	(30,826)
Capital Outlay	-	-	252,909	(252,909)
Total Expenditures	6,080,000	6,080,000	6,363,382	(283,382)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(60,000)	(60,000)	1,095,217	1,155,217
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	8,426	8,426
Transfers In	60,000	60,000	80,618	20,618
Transfers Out	-	-	(1,880,686)	(1,880,686)
Total Other Financing Sources (Uses)	60,000	60,000	(1,791,642)	(1,851,642)
NET CHANGE IN FUND BALANCE	-	-	(696,425)	(696,425)
Fund Balance - Beginning of Year	11,342,250	11,342,250	11,342,250	-
FUND BALANCE - END OF YEAR	$ 11,342,250	$ 11,342,250	$ 10,645,825	$ (696,425)

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

	Water Utility	Sewer Utility	Total
ASSETS			
Current Assets:			
Cash and Investments	$ 2,771,462	$ 5,343,951	$ 8,115,413
Receivables:			
Taxes and Special Charges	10,757	8,913	19,670
Customer Accounts	144,428	130,640	275,068
Special Assessments	7,187	21,940	29,127
Other	77,391	-	77,391
Due from Other Governments	-	351,097	351,097
Inventories and Prepaid Items	23,135	4,890	28,025
Total Current Assets	3,034,360	5,861,431	8,895,791
Capital Assets:			
Nondepreciable	75,744	46,460	122,204
Depreciable	10,122,787	12,724,820	22,847,607
Total Capital Assets	10,198,531	12,771,280	22,969,811
Total Assets	13,232,891	18,632,711	31,865,602
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	82,493	82,493	164,986
LIABILITIES			
Current Liabilities:			
Accounts Payable	146,189	26,801	172,990
Current Portion of Long-Term Debt	-	48,221	48,221
Total Current Liabilities	146,189	75,022	221,211
Long-Term Obligations, Less Current Portion:			
Revenue Bonds	-	302,876	302,876
Net Pension Liability	13,541	13,541	27,082
Total Long-Term Liabilities	13,541	316,417	329,958
Total Liabilities	159,730	391,439	551,169
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	40,801	40,801	81,602
NET POSITION			
Net Investment in Capital Assets	10,202,801	12,773,721	22,976,522
Unrestricted	2,912,052	5,509,243	8,421,295
Total Net Position	$ 13,114,853	$ 18,282,964	$ 31,397,817

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Water Utility	Sewer Utility	Total
OPERATING REVENUES			
Charges for Services	$ 1,506,422	$ 1,244,455	$ 2,750,877
Other Revenues	27,387	123,162	150,549
Total Operating Revenues	1,533,809	1,367,617	2,901,426
OPERATING EXPENSES			
Operation and Maintenance	1,300,688	717,496	2,018,184
Depreciation	284,651	338,847	623,498
Taxes	16,319	14,971	31,290
Total Operating Expenses	1,601,658	1,071,314	2,672,972
OPERATING INCOME (LOSS)	(67,849)	296,303	228,454
NONOPERATING REVENUES (EXPENSES)			
Interest Income	123,078	201,574	324,652
Interest and Fiscal Charges	-	(15,598)	(15,598)
Replacement and Depreciation Fund Contributions	-	(82,472)	(82,472)
Total Nonoperating Revenues (Expenses)	123,078	103,504	226,582
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	55,229	399,807	455,036
Capital Contributions	852,266	794,331	1,646,597
Transfers Out	(80,618)	-	(80,618)
CHANGE IN NET POSITION	826,877	1,194,138	2,021,015
Net Position - Beginning of Year	12,287,976	17,088,826	29,376,802
NET POSITION - END OF YEAR	$ 13,114,853	$ 18,282,964	$ 31,397,817

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Water Utility	Sewer Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	$ 1,548,432	$ 1,376,916	$ 2,925,348
Cash Received from Others	8,433	42,641	51,074
Cash Paid for Employee Wages and Benefits	(279,816)	(282,179)	(561,995)
Cash Paid to Suppliers	(1,016,242)	(477,635)	(1,493,877)
Net Cash Provided by Operating Activities	260,807	659,743	920,550
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Change in Due to/from Other Funds	(69,435)	-	(69,435)
Replacement and Depreciation Fund Contributions	-	(82,472)	(82,472)
Transfer Out	(80,618)	-	(80,618)
Net Cash Provided (Used) by Noncapital Financing Activities	(150,053)	(82,472)	(232,525)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(100,840)	(176,251)	(277,091)
Principal Paid on Long-Term Debt	-	(42,641)	(42,641)
Interest Paid on Long-Term Debt	-	(15,598)	(15,598)
Net Cash Used by Capital and Related Financing Activities	(100,840)	(234,490)	(335,330)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	123,078	201,574	324,652
CHANGE IN CASH AND INVESTMENTS	132,992	544,355	677,347
Cash and Investments - Beginning of Year	2,638,470	4,799,596	7,438,066
CASH AND INVESTMENTS - END OF YEAR	$ 2,771,462	$ 5,343,951	$ 8,115,413

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Water Utility	Sewer Utility	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ (67,849)	$ 296,303	$ 228,454
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	284,651	338,847	623,498
Depreciation Charged to Sewer Utility	25,728	(25,728)	-
Changes in Pension Related Activity:			
Pension Asset/Liability	1,147	1,147	2,294
Deferred Outflows of Resources	29,976	29,976	59,952
Deferred Inflows of Resources	(26,014)	(26,014)	(52,028)
Changes in Operating Assets and Liabilities:			
Taxes and special charges receivable	(3,165)	(2,794)	(5,959)
Accounts Receivables	20,819	6,445	27,264
Inventories and Prepaid Items	(1,018)	5,726	4,708
Due from Other Governments	-	42,641	42,641
Accounts Payable	(7,983)	(9,589)	(17,572)
Customer Deposits	4,515	2,783	7,298
Net Cash Provided by Operating Activities	$ 260,807	$ 659,743	$ 920,550
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions	$ 852,266	$ 794,331	$ 1,646,597

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
DECEMBER 31, 2025

	Tax Collection Custodial Fund
ASSETS	
Cash and Investments	$ 8,628,046
Taxes Receivable	10,958,237
Total Assets	19,586,283
DEFERRED INFLOWS OF RESOURCES	
Property Taxes and Special Charges Levied for Subsequent Year	19,586,283
NET POSITION	
Restricted	$ -

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	Tax Collection Custodial Fund
ADDITIONS	
Property Tax Collections	$ 18,824,164
DEDUCTIONS	
Payments to Taxing Jurisdictions	18,824,164
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	-
NET POSITION - END OF YEAR	$ -

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Village of Harrison, Wisconsin (the Village), have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government 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 is a municipal corporation governed by an elected seven-member board (the Village Board). In accordance with U.S. GAAP, the basic financial statements are required to include the Village and any separate component units that have a significant operational or financial relationship with the Village. The Village has not identified any component units that are required to be included in the basic financial statements.

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. The Village has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Debt Service Fund

Used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Tax Incremental District No. 5

Used to account for the accumulation of resources for, and the payment of the activities of Tax Incremental District No. 5 of the Village.

Capital Projects Fund

Used to account for the accumulation of resources for, and the payment of, general capital projects of the Village.

The Village has the following major enterprise funds:

Harrison Utilities operates a water and sewer utility serving customers in the Village of Harrison and surrounding communities.

In addition, the Village reports Custodial funds to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and /or other governmental units. The Villages reports tax roll collection activity in the custodial fund.

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes and Special Charges Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against Village properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village. Special charges not paid by January 31 are held in trust by the County and remitted to the Village, including interest, when collected by the County.

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

5. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made within the period of availability.

6. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “Due from Other Funds” and “Due to Other Funds” or “Advance from Other Funds” and “Advance to Other Funds” in the fund financial statements.

7. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, 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 an initial, individual costs of $5,000 or higher and an estimated useful life in excess of a 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 asset lives are not capitalized. Land and construction in progress are not depreciated. Other capital assets of the Village are depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	20 to 40 Years
Buildings and Improvements	25 Years
Machinery and Equipment	5 to 20 Years
Infrastructure	25 Years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net assets by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues and taxes levied for the subsequent year. The Village reports unavailable revenues for special assessments. These inflows are recognized as revenues in the government-wide financial statements.

9. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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. Pensions

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,
- Pension Expense (Revenue)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Pensions (Continued)

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 employe contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance: Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

Restricted Fund Balance: Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

Committed Fund Balance: Amounts that are constrained for specific purposes by action of the Village Board. These constraints can only be removed or changed by the Village Board using the same action that was used to create them.

Assigned Fund Balance: Amounts that are constrained for specific purposes by action of Village management. The Village Board has authorized the Village Manager to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

Unassigned Fund Balance: Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The Village has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Fund Equity (Continued)

Government-Wide and Proprietary Fund Statements

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

Net Investment in Capital Assets: Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

Restricted Net Position: Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position: Net position that is neither classified as restricted nor as 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.

E. Use of Estimates

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

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

The Village follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During October, Village management submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.

2. Budgets are adopted on a basis consistent with U.S. GAAP for all governmental funds, except for the Tax Incremental District's. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.

3. During the year, formal budgetary integration is employed as a management control device for the governmental funds adopting a budget.

4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.

5. Encumbrance accounting is not used by the Village to record commitments related to unperformed contracts for goods or services.

The Village's General Fund expenditures exceeded budget by $283,382 for the fiscal year ended December 31, 2025.

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Deficit Fund Equity

The following funds had a deficit fund balance as of December 31, 2025:

	Deficit Fund Balance
Fund:	
TIF District No. 5	$ (1,727,732)
TIF District No. 6	(259,412)
Total	$ (1,987,144)

The Village anticipates future tax increments will finance the deficit of the tax incremental districts.

C. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2025 budget year, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 3 CASH AND INVESTMENTS

The Village maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and Investments."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the Village's cash and investments totaled $44,708,198 as of December 31, 2025, as summarized below:

Petty Cash and Cash on Hand	$ 225
Deposits with Financial Institutions	36,487,454
Investments:	
Wisconsin Local Government Investment Pool	1,470,347
US Treasuries	4,816,690
Negotiable Certificate of Deposits	1,933,482
Total	$ 44,708,198

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The Village categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village's has the following fair value measurements as of December 31, 2025:

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Investments:			
U.S. Treasury Securities	$ 4,816,690	$ -	$ -
Negotiable Certificates of Deposit	-	1,933,482	-
Total	$ 4,816,690	$ 1,933,482	$ -

Deposits and investments of the Village are subject to various risks. Presented below is a discussion of the Village's deposits and investments and the related risks.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The Village does not have an additional custodial credit policy.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for the combined amount of all time and savings deposits and $250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of $250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of $250,000 per credit union member. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of $1,000,000 per public depository above the amount provided by an agency of the U.S. government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2025, $33,040,093 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits, all of which was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the Village's name.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	AA	Not Rated
US Treasuries	$ 4,816,690	$ 4,816,690	$ -	$ -
Negotiable Certificates of Deposit	1,933,482	-	-	1,933,482
Wisconsin Local Government Investment Pool	1,470,347	-	-	1,470,347
Totals	$ 8,220,519	$ 4,816,690	$ -	$ 3,403,829

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of December 31, 2025, the Wisconsin Local Government Investment Pool had a weighted average maturity of 13 days. Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

		Remaining Maturity (in Months)		
Investment Type	Amount	12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Treasuries	$ 4,816,690	$ -	$ 1,202,143	$ 3,614,547
Negotiable Certificates of Deposit	1,933,482	480,251	481,926	971,305
Wisconsin Local Government Investment Pool	1,470,347	1,470,347	-	-
Totals	$ 8,220,519	$ 1,950,598	$ 1,684,069	$ 4,585,852

Investments in Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin local government investment pool of $1,470,347 at year-end. 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, 2025, the fair value of the County's share of the LGIP's assets was substantially equal to the carrying value.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 3,954,170	$ -	$ 125,000	$ 3,829,170
Construction in Progress	1,603,388	9,310,723	1,984,176	8,929,935
Total Capital Assets, Not Being Depreciated	5,557,558	9,310,723	2,109,176	12,759,105
Capital Assets, Being Depreciated:				
Land Improvements	3,883,336	18,125	-	3,901,461
Buildings and Improvements	2,791,208	-	-	2,791,208
Machinery and Equipment	6,955,179	1,698,402	126,689	8,526,892
Infrastructure	21,290,987	2,389,159	-	23,680,146
Subtotals	34,920,710	4,105,686	126,689	38,899,707
Less Accumulated Depreciation for:				
Land Improvements	992,554	147,517	-	1,140,071
Buildings and Improvements	1,279,402	34,650	-	1,314,052
Machinery and Equipment	3,337,246	537,287	99,036	3,775,497
Infrastructure	5,585,249	850,836	-	6,436,085
Subtotals	11,194,451	1,570,290	99,036	12,665,705
Total Capital Assets, Being Depreciated, Net	23,726,259	2,535,396	27,653	26,234,002
Governmental Activities Capital Assets, Net	$ 29,283,817	$ 11,846,119	$ 2,136,829	38,993,107
Less: Capital Related Debt				14,920,554
Net Investment in Capital Assets				$ 24,072,553

Depreciation expense was charged to functions of the Village as follows:

Governmental Activities:	
General Government	$ 134,989
Public Safety	192,923
Public Works	1,136,407
Culture and Recreation	92,873
Conservation and Development	13,098
Total Depreciation Expense - Governmental Activities	$ 1,570,290

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 112,156	$ -	$ -	$ 112,156
Construction in Progress	-	10,048	-	10,048
Total Capital Assets, Not Being Depreciated	112,156	10,048	-	122,204
Capital Assets, Being Depreciated:				
Buildings and Improvements	1,127,473	12,278	-	1,139,751
Machinery and Equipment	599,538	47,330	-	646,868
Infrastructure	28,381,834	1,854,300	11,450	30,224,684
Subtotals	30,108,845	1,913,908	11,450	32,011,303
Less Accumulated Depreciation for:				
Buildings and Improvements	566,031	33,884	-	599,915
Machinery and Equipment	586,888	65,090	-	651,978
Infrastructure	7,398,731	524,524	11,450	7,911,805
Subtotals	8,551,650	623,498	11,450	9,163,698
Total Capital Assets, Being Depreciated, Net	21,557,195	1,290,410	-	22,847,605
Governmental Activities Capital Assets, Net	$ 21,669,351	$ 1,300,458	$ -	22,969,809
Less: Capital Related Debt				-
Net Investment in Capital Assets				$ 22,969,809

NOTE 5 INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

Interfund receivables and payables between individual funds of the Village, as reported in the fund financial statements, as of December 31, 2025, are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance		
Operating Cash Deficits:		
Governmental Funds:		
General Fund	$ 1,364,986	$ -
TIF District No. 5	-	1,107,970
TIF District No. 6	-	257,016
Total	$ 1,364,986	$ 1,364,986

The General Fund advanced Tax Incremental District No. 5 $583,357 for a property purchase at the beginning of the life of the District. There is no repayment schedule and will be repaid with future tax increments of the District.

NOTE 6 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2025:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt					
Direct Placements:					
Notes	$ 13,170,000	$ 8,500,000	$ 1,260,000	$ 20,410,000	$ 1,503,155
State Trust Fund Loans	900,000	450,000	86,871	1,263,129	108,155
Premium on Debt	451,683	165,849	61,402	556,130	-
Governmental Activities Long-Term Obligations	$ 14,521,683	$ 9,115,849	$ 1,408,273	$ 22,229,259	$ 1,611,310
Business-Type Activities:					
General Obligation Debt					
Direct Placements:					
Clean Water Fund Loans (1)	$ 393,737	$ -	$ 42,640	$ 351,097	$ 46,024
Governmental Activities Long-Term Obligations	$ 393,737	$ -	$ 42,640	$ 351,097	$ 46,024

Interest paid during the year on long-term debt totaled $421,211.

(1) The proceeds of the Village of Harrison Sewer Utility's 2013 Sewer Clean Water Fund Loan were disbursed directly to the Neenah-Menasha Sewerage Commission for expansion of the regional plant. Principal and interest payments on this debt will be paid by the Neenah-Menasha Sewerage Commission under an agency agreement which allows. The debt service is recovered by Neenah-Menasha Sewerage Commission as part of its annual use charges. The resulting due from other governments and revenue bonds of a like amount has been recorded by the Village of Harrison Sewer Utility and will be reduced as payments are made.

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/25
General Obligation Notes	11/17/20	3/1/35	0.5-2.00%	$ 1,425,000	$ 1,030,000
General Obligation Notes	11/17/20	3/1/30	2.00%	1,880,000	995,000
General Obligation Notes	3/31/22	9/1/32	2.00%	1,305,000	770,000
General Obligation Notes	11/15/22	9/1/32	4.00-5.00%	1,600,000	910,000
General Obligation Notes	12/14/23	3/1/33	5.00%	1,400,000	630,000
General Obligation Notes	12/16/24	3/1/34	4.00-5.00%	8,275,000	7,575,000
State Trust Fund BCPL Loan	8/6/24	3/15/34	6%	900,000	813,129
General Obligation Notes	7/28/25	9/1/45	4.00-5.00%	8,500,000	8,500,000
State Trust Fund BCPL Loan	2/7/25	3/15/34	5.75%	450,000	450,000
Total Outstanding General Obligation Debt					$ 21,673,129

Annual principal and interest maturities of the outstanding general obligation debt on December 31, 2025 are detailed below:

Year Ended December 31,	Governmental Activities Principal	Governmental Activities Interest	Business-Type Activities Principal	Business-Type Activities Interest
2026	$ 1,503,155	$ 919,817	$ 46,024	$ 8,623
2027	1,777,102	813,503	47,242	7,389
2028	1,788,856	737,000	48,492	6,123
2029	1,826,344	659,879	49,775	4,822
2030	1,914,107	580,626	51,092	3,488
2031 - 2035	7,703,565	1,742,620	52,444	2,830
2036 - 2045	5,160,000	1,114,172	56,028	2,197
Total	$ 21,673,129	$ 6,567,617	$ 351,097	$ 35,472

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2025, was $92,108,536 as follows:

Equalized Valuation at the Village	$ 2,275,633,300
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	113,781,665
Total Outstanding General Obligation Debt Applicable to Debt Limitation	21,673,129
Legal Margin for New Debt	$ 92,108,536

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Legal Margin for New Debt (Continued)

General obligation notes are direct placements in which the full faith and is secured by the Village's taxing authority. These notes are not subject to any special terms related to events of default, termination events or escalation clauses. The Clean Water Fund loan is a private placement which contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to be come immediately due if the lender determines that a material adverse change occurs. The Clean Water Fund Loan is secured by the Village's taxing authority.

NOTE 7 PENSION PLAN

WRS Plan Description

The WRS is a cost-sharing, multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 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, which can be found at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.
Additionally, EFT 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 plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

NOTE 7 PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

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

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

The WRS also provides death and disability benefits for employees.

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:

Year	Core Fund Adjustment	Variable Fund Adjustment
2015	2.9 %	2.0 %
2016	0.5 %	(5.0)%
2017	2.0 %	4.0 %
2018	2.4 %	17.0 %
2019	- %	(10.0)%
2020	1.7 %	21.0 %
2021	5.1 %	13.0 %
2022	7.4 %	15.0 %
2023	1.6 %	(21.0)%
2024	3.6 %	15.0 %

NOTE 7 PENSION PLAN (CONTINUED)

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2016, the executives and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remained 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 year ended December 31, 2025, the WRS recognized $171,103 in contributions from the Village.

Contribution rates as of December 31, 2025 are:

Employee Category	Employee	Employer
General (Including Teachers)	6.95 %	6.95 %
Protective with Social Security	6.95 %	14.95 %
Protective without Social Security	6.95 %	18.95 %

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

At December 31, 2025, the Village reported a liability of $128,636 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. 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, 2024, the Village's proportion was 0.00782858%, which was an increase of 0.00036194% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Village recognized pension expense of $169,717.

NOTE 7 PENSION PLAN (CONTINUED)

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

At December 31, 2025, 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	$ 399,487	$ 375,392
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	195,470	-
Changes in Assumptions	38,169	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	1,909	12,204
Employer Contributions Subsequent to the Measurement Date	171,103	-
Total	$ 806,138	$ 387,596

The $171,103 reported as deferred outflows related to pension resulting from the Village'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, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2026	$ 73,459
2027	263,949
2028	(68,207)
2029	(21,762)
Total	$ 247,439

NOTE 7 PENSION PLAN (CONTINUED)

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.7%
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. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the prior year, including seniority (merit) and separation rates. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

NOTE 7 PENSION PLAN (CONTINUED)

Long-Term Expected Return on Plan Assets

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Global Equities	38.0 %	7.0 %	4.3 %
Fixed Income	27.0	6.1	3.4
Inflation Sensitive Assets	20.0	9.5	6.7
Real Estate	19.0	4.8	2.1
Private Equity/Debt	08.0	6.5	3.8
Leverage	(12.0)	3.7	1.1
Total Core Fund	100.0 %	7.5	4.8
Variable Fund Asset Class:			
U.S. Equities	70.0 %	6.5	3.8
International Equities	30.0	7.4	4.7
Total Variable Fund	100.0 %	6.9	4.2

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.6%

Asset allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

The investment policy for the Core Fund invoices 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%.

NOTE 7 PENSION PLAN (CONTINUED)

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability, for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 3.77%. (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). 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 after reflecting known changes in the Market Recognition Account. The projection of cash flows used to determine this single discount rate assumed that plan members 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 long-term expected 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 6.8%, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or one-percentage-point higher (7.8%) 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)	$ 1,206,779	$ 128,636	$ (637,352)

Payables to the Pension Plan

The Village reported a payable of $42,553 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2025.

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2025, nonspendable fund balance was $583,357 in the General Fund for an advance to Tax Incremental District No. 5 and $995,115 in the Capital Projects fund for a prepaid deposit on a fire truck not yet received.

NOTE 8 FUND EQUITY

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2025, restricted fund balance was as follows:

Debt Service	$ 6,134
Special Revenue Funds:	
Restricted for:	
Park Improvements	384,926
Law Enforcement Impact	122,801
Fire Department Impact	1,015,284
Transportation Impact	383,652
Fire Department	418,916
Stormwater	716,552
Total Special Revenue Funds	3,042,131
Capital Project Funds:	
Restricted for:	
TIF Project Costs	2,987,042
Capital Projects	7,477,193
Total Capital Project Funds	10,464,235
Total Restricted Fund Balance	$ 13,512,500

Assigned Fund Balance

Portions of the governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2025, fund balance was assigned as follows:

General Fund:	
Assigned for:	
Fire Truck	$ 927,401
Fire Station	3,000,000
Total Assigned General Funds	3,927,401
Capital Projects:	
Assigned for:	
Fire Truck	200,000
Fire Equipment	12,200
Total Assigned Capital Projects Funds	212,200
Total Assigned Fund Balance	$ 4,139,601

NOTE 9 OTHER INFORMATION

A. Tax Incremental Financing Districts

The Village has established separate capital projects funds for Tax Incremental District (TID) No. 1 and Tax Incremental District (TID) No. 2, Tax Incremental District (TID) No. 3, Tax Incremental District (TID) No. 4, Tax Incremental District (TID) No. 5 and Tax Incremental District (TID) No. 6, which were created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Village to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The Village's District is still eligible to incur project costs.

Since creation of the above Districts, the Village has provided various financing sources to the TIDs. The foregoing amounts are not recorded as liabilities in the TID capital project funds but can be recovered by the Village from any future excess tax increment revenues.

B. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage. The Village has not made significant changes to coverage from the previous year. The Village's losses have not exceed coverage in any of the prior three years.

C. Contingencies

From time-to-time, the Village is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast 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.

NOTE 9 OTHER INFORMATION (CONTINUED)

D. Commitments and Contingent Liabilities

The Village has a contract with the City of Appleton to pay for half the cost of the storm sewer, paving, grade and gravel, and temporary asphalt paving for certain properties located in the Village boundaries and the City's utility service area. The payments are subject to certain terms and conditions as agreed upon between the Village and the City and continue through the year December 31, 2026. The Village also has an agreement with a developer to reimburse the Village for these costs. The Village received from the developer and paid to the City $114,099 in 2025 in accordance with this agreement.

E. Defined Contribution Pension Plan

The Village contributes to the Service Award Program (SAP), a defined contribution pension plan, for its volunteer firefighters, first responders and emergency medical technicians. SAP is administered by Volunteer Fireman's Insurance Services. The Village determines annually the amount it will contribute on behalf of each individual in the program. Participants are fully vested to receive a service award once he or she attains 15 years of service for a municipality and paid a service award upon reaching age of 60. A participant who has discontinued providing eligible service after performing a minimum 10 years of service shall be partially vested and may elect to receive a partial service award at any time after reaching age 53. Nonvested accounts are forfeited if the individual ceases to perform creditable service for a period of 12 months or more and distributed equally among all other open accounts sponsored by the participating municipality at the time of the forfeiture.

For the year ended December 31, 2025, the Village contributed $33,063 to the plan, and the Village recognized pension expense of $33,063.

F. Accounting Changes – Change in Fund Presentation between Major and Nonmajor

Tax Incremental District No. 2 did not meet the criteria to be reported as a major governmental fund and Tax Incremental District No. 5 did not meet the criteria to be reported as a nonmajor governmental fund. The effect of these changes to or within the financial reporting entity are shown in column C of the table below:

	December 31, 2024 As Previously Reported	Change to or Within the Financial Reporting Entity (C)	December 31, 2024 As Adjusted
Governmental Funds:			
Major Funds:			
General	$ 11,342,250	$ -	$ 11,342,250
Capital Projects	9,020,870	-	9,020,870
Debt Service	165	-	165
Tax Incremental District No. 2	(515,893)	515,893	-
Tax Incremental District No. 5	-	(1,131,313)	(1,131,313)
Nonmajor Funds	1,434,232	615,420	2,049,652
Total Governmental Funds	$ 21,281,624	$ -	$ 21,281,624

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF HARRISON, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST TEN MEASUREMENT PERIODS

Measurement Period 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 (Asset)
12/31/16	0.00433812%	$ 35,756	$ 657,314	5.44%	99.12%
12/31/17	0.00438854%	(130,300)	657,579	19.82%	102.93%
12/31/18	0.00523332%	186,185	1,023,633	18.19%	96.45%
12/31/19	0.00589879%	(190,203)	1,051,708	-18.09%	102.96%
12/31/20	0.00693660%	(433,061)	1,257,777	-34.43%	105.26%
12/31/21	0.00683412%	(550,842)	1,069,387	-51.51%	106.02%
12/31/22	0.00724874%	384,016	1,335,011	28.77%	95.72%
12/31/23	0.00746664%	111,014	1,481,503	7.49%	98.85%
12/31/24	0.00782858%	128,636	1,502,645	8.56%	98.79%

SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

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
12/31/16	$ 43,383	$ 43,383	$ -	$ 657,314	6.60%
12/31/17	44,716	44,716	-	657,579	6.80%
12/31/18	68,583	68,583	-	1,023,633	6.70%
12/31/19	68,887	68,887	-	1,051,708	6.55%
12/31/20	84,900	84,900	-	1,257,777	6.75%
12/31/21	72,184	72,184	-	1,069,387	6.75%
12/31/22	91,777	91,777	-	1,335,011	6.87%
12/31/23	100,743	100,743	-	1,481,503	6.80%
12/31/24	102,893	102,893	-	1,502,645	6.85%
12/31/25	171,103	171,103	-	1,856,160	9.22%

See accompanying Notes to Required Supplementary Information.

VILLAGE OF HARRISON, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 CHANGES OF BENEFIT TERMS

Changes of Benefits:

There were no changes of benefit terms for any participating employer in the WRS.

Changes of Assumptions:

Based on a three-year experience study conducted in 2024 covering January 1, 2021 through December 31, 2023, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year ended December 31, 2024, including the following:

- Raising the seniority/merit inflation rate from 0.1%-5.6% to 0.1%-5.7%

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.

SUPPLEMENTARY INFORMATION

VILLAGE OF HARRISON, WISCONSIN
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES – GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
Taxes:				
General Property	$ 1,800,000	$ 1,800,000	$ 1,800,000	$ -
Forest Cropland/MFL Taxes	-	-	859	859
Room Taxes	-	-	125	125
Interest on Taxes	-	-	28,010	28,010
Total Taxes	1,800,000	1,800,000	1,828,994	28,994
Special Assessments	473,300	473,300	477,637	4,337
Intergovernmental:				
State:				
State Shared Taxes	415,000	415,000	444,876	29,876
Fire Insurance	97,300	97,300	112,427	15,127
Transportation	461,000	461,000	878,980	417,980
Exempt Computer Aid	42,000	42,000	42,043	43
Personal Property Aid	2,600	2,600	13,266	10,666
Law Enforcement	-	-	3,122	3,122
Recycling	21,800	21,800	21,880	80
In Lieu of Taxes - Conservation Land	-	-	3,099	3,099
PILOT on Conservation Land	-	-	2,504	2,504
ARPA and Other	-	-	119,142	119,142
Total Intergovernmental	1,039,700	1,039,700	1,641,339	601,639
Licenses and Permits:				
Licenses:				
Liquor and Malt Beverages	5,200	5,200	5,654	454
Operators	4,000	4,000	4,648	648
Cigarette	300	300	300	-
Dog	10,000	10,000	11,741	1,741
Cable Television	-	-	3,685	3,685
Other Licenses/Permits	126,100	126,100	167,959	41,859
Permits:				
Building	135,800	135,800	345,202	209,402
Total Licenses and Permits	281,400	281,400	539,189	257,789
Fines and Forfeits:				
Court Fines and Penalties	5,000	5,000	3,144	(1,856)
Parking Violations	1,000	1,000	1,125	125
Total Fines and Forfeits	6,000	6,000	4,269	(1,731)
Public Charges for Services:				
Administrative Fee	20,000	20,000	50,119	30,119
Real Estate Inquiry Fee	8,000	8,000	14,460	6,460
Credit Card Surcharge	700	700	1,635	935
Police Department	785,000	785,000	1,076,520	291,520
Street Department	3,200	3,200	31,876	28,676
Weed Cutting	1,000	1,000	3,145	2,145
Compost Site	30,000	30,000	41,120	11,120
Solid Waste Collection & Disposal	673,500	673,500	714,165	40,665
Municipal Rental Fee	2,000	2,000	3,886	1,886
Park Rental Fee	2,500	2,500	3,626	1,126
Total Public Charges for Services	1,525,900	1,525,900	1,940,552	414,652
Intergovernmental Charges for Services:				
Fire Department Fees	173,700	173,700	203,112	29,412
Miscellaneous:				
Interest on Investments	705,000	705,000	766,243	61,243
Donations	-	-	8,090	8,090
Other	10,000	10,000	40,453	30,453
Insurance Recoveries	5,000	5,000	8,721	3,721
Total Miscellaneous	720,000	720,000	823,507	103,507
Total Revenues	$ 6,020,000	$ 6,020,000	$ 7,458,599	$ 1,438,599

VILLAGE OF HARRISON, WISCONSIN
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES – GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
General Government:				
Village Board	$ 68,800	$ 68,800	$ 61,768	$ 7,032
General Administration	984,400	996,754	824,511	172,243
Legal	120,000	120,000	56,977	63,023
Assessment of Property	41,000	41,000	40,900	100
Elections	25,200	29,290	35,804	(6,514)
Village Hall Complex	18,000	18,000	18,106	(106)
Insurance	90,000	90,000	114,304	(24,304)
Contingency	100,000	44,121	-	44,121
Total General Government	1,447,400	1,407,965	1,152,370	255,595
Public Safety:				
Law Enforcement	1,079,200	1,079,200	1,167,074	(87,874)
Fire and Rescue	637,900	662,000	690,384	(28,384)
Building Inspection	252,800	252,800	376,467	(123,667)
Total Public Safety	1,969,900	1,994,000	2,233,925	(239,925)
Public Works:				
Transportation:				
Street Maintenance	1,667,400	1,682,735	1,711,146	(28,411)
Street Lighting	18,800	18,800	24,738	(5,938)
Storm Sewers	5,000	5,000	3,200	1,800
Legal	35,000	35,000	12,586	22,414
Sanitation:				
Solid Waste Collection	434,500	434,500	429,222	5,278
Compost Site/Chipping	10,000	10,000	5,856	4,144
Recycling	270,000	270,000	278,787	(8,787)
Weed Control	5,000	5,000	-	5,000
Total Public Works	2,445,700	2,461,035	2,465,535	(4,500)
Health and Human Services:				
Public Health Services	500	500	-	500
Culture and Recreation:				
Parks	80,000	80,000	91,317	(11,317)
Conservation and Development:				
Planning	126,500	126,500	165,284	(38,784)
Economic Development	10,000	10,000	2,042	7,958
Total Conservation and Development	136,500	136,500	167,326	(30,826)
Capital Outlay:				
General Government	-	-	8,164	(8,164)
Fire Truck	-	-	8,344	(8,344)
Road Reconstruction	-	-	236,401	(236,401)
Total Capital Outlay	-	-	252,909	(244,745)
Total Expenditures	$ 6,080,000	$ 6,080,000	$ 6,363,382	$ (275,218)

VILLAGE OF HARRISON, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Special Revenue							Capital Projects					
	Park Impact Fees	ARPA Grant	Law Enforcement Impact Fees	Fire Department Impact Fees	Stormwater	Transportation Impact Fees	Fire Department	Tax Incremental District No. 1	Tax Incremental District No. 2	Tax Incremental District No. 3	Tax Incremental District No. 4	Tax Incremental District No. 6	Total
ASSETS													
Cash and Investments	$ 427,060	$ -	$ 122,801	$ 1,015,284	$ 751,614	$ 383,652	$ 418,916	$ 1,725,842	$ 1,744,934	$ 118,739	$ 872,744	$ -	$ 7,581,586
Receivables:													
Taxes and Special Charges	-	-	-	-	-	-	-	660,120	307,336	78,228	787,962	2,989	1,836,645
Total Assets	$ 427,060	$ -	$ 122,801	$ 1,015,284	$ 751,614	$ 383,652	$ 418,916	$ 2,385,962	$ 2,052,270	$ 196,967	$ 1,660,706	$ 2,989	$ 9,418,231
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES													
LIABILITIES													
Accounts Payable	$ 42,134	$ -	$ -	$ -	$ 35,062	$ -	$ -	$ -	$ 6,778	$ 3,301	$ -	$ -	$ 87,275
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-	257,016	257,016
Total Liabilities	42,134	-	-	-	35,062	-	-	-	6,778	3,301	-	257,016	344,291
DEFERRED INFLOWS OF RESOURCES													
Property Taxes Levied for Subsequent Year	-	-	-	-	-	-	-	1,187,576	552,907	140,735	1,417,566	5,395	3,304,179
FUND BALANCES													
Restricted	384,926	-	122,801	1,015,284	716,552	383,652	418,916	1,198,386	1,492,585	52,931	243,140	-	6,029,173
Unassigned	-	-	-	-	-	-	-	-	-	-		(259,412)	(259,412)
Total Fund Balances	384,926	-	122,801	1,015,284	716,552	383,652	418,916	1,198,386	1,492,585	52,931	243,140	(259,412)	5,769,761
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 427,060	$ -	$ 122,801	$ 1,015,284	$ 751,614	$ 383,652	$ 418,916	$ 2,385,962	$ 2,052,270	$ 196,967	$ 1,660,706	$ 2,989	$ 9,418,231

VILLAGE OF HARRISON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	Special Revenue							Capital Projects						
	Park Impact Fees	ARPA Grant	Law Enforcement Impact Fees	Fire Department Impact Fees	Stormwater	Transportation Impact Fees	Fire Department	Tax Incremental District No. 1	Tax Incremental District No. 2	Tax Incremental District No. 3	Tax Incremental District No. 5	Tax Incremental District No. 4	Tax Incremental District No. 6	Total
REVENUES														
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,036,348	$ 555,994	$ -	$ -	$ 1,070,341	$ 4,484	$ 2,667,167
Intergovernmental	-	83,508	-	-	-	-	-	8,308	-	-	-	-	-	91,816
Licenses and Permits	228,352	-	17,342	120,412	-	383,652	-	-	-	-	-	-	-	749,758
Public Charges for Services	-	-	-	-	484,958	-	-	-	-	-	-	-	-	484,958
Miscellaneous	-	-	-	-	-	-	-	-	254,315	-	-	-	-	254,315
Total Revenues	228,352	83,508	17,342	120,412	484,958	383,652	-	1,044,656	810,309	-	-	1,070,341	4,484	4,248,014
EXPENDITURES														
Current:														
Public Works	-	-	-	-	137,458	-	-	-	-	-	-	-	-	137,458
Conservation and Development	-	-	-	-	-	-	-	454,165	140,978	93,024	-	867,384	2,327	1,557,878
Debt Service:														
Principal	-	-	-	-	-	-	-	85,000	86,871	-	-	-	-	171,871
Interest and Fiscal Charges	-	-	-	-	-	-	-	16,975	95,065	-	-	-	-	112,040
Capital Outlay	279,842	83,508	-	-	-	-	-	-	383,917	12,002	-	-	-	759,269
Total Expenditures	279,842	83,508	-	-	137,458	-	-	556,140	706,831	105,026	-	867,384	2,327	2,738,516
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(51,490)	-	17,342	120,412	347,500	383,652	-	488,516	103,478	(105,026)	-	202,957	2,157	1,509,498
OTHER FINANCING SOURCES (USES)														
Long-Term Debt Issued	-	-	-	-	-	-	-	-	1,905,000	-	-	-	-	1,905,000
Transfers In	-	-	-	-	-	-	418,916	-	-	-	-	-	-	418,916
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	(113,305)	-	(113,305)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	418,916	-	1,905,000	-	-	(113,305)	-	2,210,611
NET CHANGE IN FUND BALANCES	(51,490)	-	17,342	120,412	347,500	383,652	418,916	488,516	2,008,478	(105,026)	-	89,652	2,157	3,720,109
Fund Balances - Beginning of Year, as Originally Reported	436,416	-	105,459	894,872	369,052	-	-	709,870	-	157,957	(1,131,313)	153,488	(261,569)	1,434,232
Change Within Financial Reporting Entity (Nonmajor to Major)	-	-	-	-	-	-	-	-	(515,893)		1,131,313			615,420
Fund Balances - Beginning of Year, as Adjusted	436,416	-	105,459	894,872	369,052	-	-	709,870	(515,893)	157,957	-	153,488	(261,569)	2,049,652
FUND BALANCES - END OF YEAR	$ 384,926	$ -	$ 122,801	$ 1,015,284	$ 716,552	$ 383,652	$ 418,916	$ 1,198,386	$ 1,492,585	$ 52,931	$ -	$ 243,140	$ (259,412)	$ 5,769,761

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Village Board
Village of Harrison
Harrison, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Harrison, Wisconsin, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Village of Harrison, Wisconsin's basic financial statements, and have issued our report thereon dated June 15, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Harrison, Wisconsin's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village of Harrison, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Harrison, Wisconsin's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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Village Board
Village of Harrison, Wisconsin

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Harrison, Wisconsin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Harrison, Wisconsin's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Harrison, Wisconsin's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Village of Harrison, Wisconsin's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 15, 2026

Internal Control Over Financial Reporting

2025-001

Preparation of Annual Financial Report

Type of Finding

Significant Deficiency in Internal Control over Financial Reporting

Condition

Current Village staff maintains accounting records which reflect the Village's financial transactions; however, preparing the Village's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Village contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the Village's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the Village has implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.

Criteria or Specific Requirement

The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.

Effect

The Village may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

Cause

Village management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Repeat Finding

This is a repeat of finding.

Recommendation

We recommend the Village continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the Village's activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the Village is necessary to obtain a complete and adequate understanding of the Village's annual financial report.

Internal Control Over Financial Reporting (Continued)

2025-001 (Continued)

Preparation of Annual Financial Report

Management Response

Management believes the cost for additional staff time and training to prepare year-end closing entries and reports outweigh the benefits to be received. Management has reviewed and approved the annual financial report prior to issuance.

2025-002

Adjustments to the Village's Financial Records

Type of Finding

Significant Deficiency in Internal Control over Financial Reporting.

Condition

As part of our audit, we proposed adjusting journal entries to the Village's financial statements.

Criteria or Specific Requirement

Adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.

Effect

Year-end financial records prepared by the Village may contain material misstatements.

Cause

While Village staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.

Repeat Finding

This is a repeat of finding.

Recommendation

We recommend the Village designate an individual to obtain additional training in order to prepare the adjusting and closing entries. We are available to assist the individual in obtaining the understanding to prepare these entries.

Management Response

Management believes the cost for additional staff time and training to record adjusting entries outweighs the benefits to be received. Management will continue to review information reviewed by CliftonLarsonAllen, LLP.

Global

INDEPENDENT NETWORK MEMBER

CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAglobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.