

VILLAGE OF HARRISON, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024



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YEAR ENDED DECEMBER 31, 2024**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Harrison, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and budgetary comparison information for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Harrison 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective January 1, 2024, the Village adopted new accounting guidance for accounting changes. The guidance requires that changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 combining fund 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, the combining fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 17, 2025

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 25,555,645	\$ 7,438,336	\$ 32,993,981
Receivables:			
Taxes and Special Charges	6,596,040	-	6,596,040
Accounts, Net	127,226	323,801	451,027
Special Assessments	1,047,298	12,300	1,059,598
Due from Other Governments	-	480,198	480,198
Prepaid Expenses	995,115	-	995,115
Inventory	-	32,733	32,733
Internal Balances	69,435	(69,435)	-
Capital Assets, Nondepreciable	5,557,558	112,156	5,669,714
Capital Assets, Depreciable	23,726,259	21,557,195	45,283,454
Total Assets	<u>63,674,576</u>	<u>29,887,284</u>	<u>93,561,860</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	764,487	224,938	989,425
LIABILITIES			
Accounts Payable	1,100,649	190,562	1,291,211
Accrued and Other Current Liabilities	96,959	(7,298)	89,661
Due to Other Governments	1,455	-	1,455
Unearned Revenue	83,508	-	83,508
Accrued Interest Payable	37,264	-	37,264
Special Deposits	1,091,746	-	1,091,746
Long-Term Obligations:			
Due Within One Year	1,346,871	44,838	1,391,709
Due in More Than One Year	13,174,812	348,900	13,523,712
Net Pension Liability	86,225	24,788	111,013
Total Liabilities	<u>17,019,489</u>	<u>601,790</u>	<u>17,621,279</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	9,886,690	-	9,886,690
Pension Related Amounts	464,821	133,630	598,451
Total Deferred Inflows of Resources	<u>10,351,511</u>	<u>133,630</u>	<u>10,485,141</u>
NET POSITION			
Net Investment in Capital Assets	24,968,004	21,669,351	46,637,355
Restricted			
Park Improvements	436,416	-	436,416
Law Enforcement Impact	105,459	-	105,459
Fire Department Impact	894,872	-	894,872
Fire Protection	176,497	-	176,497
Stormwater	369,052	-	369,052
Capital Projects	1,021,315	-	1,021,315
Unrestricted	9,096,448	7,707,451	16,803,899
Total Net Position	<u>\$ 37,068,063</u>	<u>\$ 29,376,802</u>	<u>\$ 66,444,865</u>

See accompanying Notes to Basic Financial Statements.

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 1,321,305	\$ 409,892	\$ 511,285	\$ -	\$ (400,128)	\$ -	\$ (400,128)
Public Safety	1,434,684	959,363	151,319	-	(324,002)	-	(324,002)
Public Works	3,328,229	1,658,451	21,858	856,573	(791,347)	-	(791,347)
Culture and Recreation	134,372	119,151	-	-	(15,221)	-	(15,221)
Conservation and Development	2,687,603	-	-	-	(2,687,603)	-	(2,687,603)
Interest and Fiscal Charges	310,180	-	-	-	(310,180)	-	(310,180)
Total Governmental Activities	9,216,373	3,146,857	684,462	856,573	(4,528,481)	-	(4,528,481)
BUSINESS-TYPE ACTIVITIES							
Water Utility	1,482,250	1,516,593	-	1,129,470	-	1,163,813	1,163,813
Sewer Utility	1,131,674	1,324,513	-	878,420	-	1,071,259	1,071,259
Total Business-Type Activities	2,613,924	2,841,106	-	2,007,890	-	2,235,072	2,235,072
Total	\$ 11,830,297	\$ 5,987,963	\$ 684,462	\$ 2,864,463	(4,528,481)	2,235,072	(2,293,409)
GENERAL REVENUES AND TRANSFERS							
Taxes:							
					4,408,327	-	4,408,327
					2,076,482	-	2,076,482
					(1,029)	-	(1,029)
					486,410	-	486,410
					944,323	314,472	1,258,795
					14,393	-	14,393
					69,435	(69,435)	-
					7,998,341	245,037	8,243,378
					3,469,860	2,480,109	5,949,969
					33,598,203	26,896,693	60,494,896
					\$ 37,068,063	\$ 29,376,802	\$ 66,444,865

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Debt Service	Capital Projects	Tax Incremental District No. 2	Nonmajor Governmental Funds	Total
ASSETS						
Cash and Investments	\$ 11,479,710	\$ 432,280	\$ 9,518,916	\$ 470,308	\$ 3,654,431	\$ 25,555,645
Receivables:						
Taxes and Special Charges	2,941,769	868,360	1,001,954	373,758	1,410,199	6,596,040
Accounts	127,226	-	-	-	-	127,226
Special Assessments	1,047,298	-	-	-	-	1,047,298
Prepaid Expenses	995,115	-	-	-	-	995,115
Due from Other Funds	861,640	-	-	-	-	861,640
Advance from Other Funds	583,357	-	-	-	-	583,357
Total Assets	<u>\$ 18,036,115</u>	<u>\$ 1,300,640</u>	<u>\$ 10,520,870</u>	<u>\$ 844,066</u>	<u>\$ 5,064,630</u>	<u>\$ 35,766,321</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 239,604	\$ 475	\$ -	\$ 800,415	\$ 60,155	\$ 1,100,649
Accrued and Other Current Liabilities	96,959	-	-	-	-	96,959
Due to Other Funds	-	-	-	-	792,205	792,205
Advance to Other Funds	-	-	-	-	583,357	583,357
Unearned Revenue	-	-	-	-	83,508	83,508
Due to Other Governments	1,455	-	-	-	-	1,455
Special Deposits	1,091,746	-	-	-	-	1,091,746
Total Liabilities	<u>1,429,764</u>	<u>475</u>	<u>-</u>	<u>800,415</u>	<u>1,519,225</u>	<u>3,749,879</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes and Special Charges Levied for Subsequent Year	4,415,973	1,300,000	1,500,000	559,544	2,111,173	9,886,690
Special Assessments	848,128	-	-	-	-	848,128
Total Deferred Inflows of Resources	<u>5,264,101</u>	<u>1,300,000</u>	<u>1,500,000</u>	<u>559,544</u>	<u>2,111,173</u>	<u>10,734,818</u>
FUND BALANCES						
Nonspendable	995,115	-	-	-	-	995,115
Restricted	176,497	165	9,020,870	-	2,827,114	12,024,646
Assigned	4,835,908	-	-	-	-	4,835,908
Unassigned	5,334,730	-	-	(515,893)	(1,392,882)	3,425,955
Total Fund Balances	<u>11,342,250</u>	<u>165</u>	<u>9,020,870</u>	<u>(515,893)</u>	<u>1,434,232</u>	<u>21,281,624</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,036,115</u>	<u>\$ 1,300,640</u>	<u>\$ 10,520,870</u>	<u>\$ 844,066</u>	<u>\$ 5,064,630</u>	<u>\$ 35,766,321</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024

Total Fund Balances as Shown on Previous Page \$ 21,281,624

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. 29,283,817

Other long-term assets are not available to pay current period expenditures
and therefore are deferred in the funds.

 Special Assessments 848,128

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 764,487

 Deferred Inflows Related to Pensions (464,821)

Long-term liabilities are not due and payable in the current period and,
therefore, are not reported in the funds.

 Long-Term Debt (14,070,000)

 Premium on Long-Term Debt (451,683)

 Net Pension Liability (86,225)

 Accrued Interest on Long-Term Obligations (37,264)

Net Position of Governmental Activities as Reported on the Statement of Net Position \$ 37,068,063

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, 2024

	General	Debt Service	Capital Projects	Tax Incremental District No. 2	Nonmajor Governmental Funds	Total
REVENUES						
Taxes	\$ 3,207,298	\$ 1,200,000	\$ -	\$ 428,138	\$ 1,763,983	\$ 6,599,419
Special Assessments	377,625	-	-	-	-	377,625
Intergovernmental	1,219,241	-	-	-	511,285	1,730,526
Licenses and Permits	485,297	-	-	-	104,581	589,878
Fines and Forfeits	6,076	-	-	-	-	6,076
Public Charges for Services	1,438,748	-	-	1,000	442,071	1,881,819
Intergovernmental Charges for Services	173,739	-	-	-	-	173,739
Miscellaneous	957,716	-	300,000	-	-	1,257,716
Total Revenues	7,865,740	1,200,000	300,000	429,138	2,821,920	12,616,798
EXPENDITURES						
Current:						
General Government	1,194,293	-	-	-	511,285	1,705,578
Public Safety	1,389,189	-	-	-	-	1,389,189
Public Works	2,337,136	-	-	-	147,009	2,484,145
Culture and Recreation	47,841	-	-	-	-	47,841
Conservation and Development	120,420	-	-	1,026,317	1,793,688	2,940,425
Debt Service:						
Principal	-	1,165,000	-	-	-	1,165,000
Interest and Fiscal Charges	-	136,875	153,563	-	-	290,438
Capital Outlay	3,179,011	-	-	1,030,474	633,931	4,843,416
Total Expenditures	8,267,890	1,301,875	153,563	2,056,791	3,085,913	14,866,032
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(402,150)	(101,875)	146,437	(1,627,653)	(263,993)	(2,249,234)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	8,275,000	900,000	-	9,175,000
Premium on Debt Issued	-	-	451,683	-	-	451,683
Transfers In	2,577,159	458,750	-	-	-	3,035,909
Transfers Out	(80,000)	-	(2,507,724)	-	(378,750)	(2,966,474)
Total Other Financing Sources (Uses)	2,497,159	458,750	6,218,959	900,000	(378,750)	9,696,118
NET CHANGE IN FUND BALANCES	2,095,009	356,875	6,365,396	(727,653)	(642,743)	7,446,884
Fund Balances - Beginning of Year, as Originally Reported	9,247,241	(356,710)	2,655,474	-	2,288,735	13,834,740
Change within Financial Reporting Entity (Nonmajor to Major)	-	-	-	211,760	(211,760)	-
Fund Balances - End of Year, as Adjusted	9,247,241	(356,710)	2,655,474	211,760	2,076,975	13,834,740
FUND BALANCES - END OF YEAR	<u>\$ 11,342,250</u>	<u>\$ 165</u>	<u>\$ 9,020,870</u>	<u>\$ (515,893)</u>	<u>\$ 1,434,232</u>	<u>\$ 21,281,624</u>

See accompanying Notes to Basic Financial Statements.

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

Net Change in Fund Balances as Shown on Previous Page \$ 7,446,884

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 Capital Outlay in Governmental Fund Statements	6,097,639
Loss on Disposal of Assets	(129,012)
Depreciation Expense Reported in the Statement of Activities	(1,220,417)

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	(251,500)
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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	(9,175,000)
Premium on Debt Issued	(451,683)
Principal Repaid	1,165,000

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	(19,742)
Net Pension Liability	241,239
Deferred Outflows of Resources Related to Pensions	(460,782)
Deferred Inflows of Resources Related to Pensions	<u>227,234</u>

Change in Net Position of Governmental Activities as Reported in the Statement of Activities	<u><u>\$ 3,469,860</u></u>
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VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2024

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 3,207,500	\$ 3,207,500	\$ 3,207,298	\$ (202)
Special Assessments	324,110	324,110	377,625	53,515
Intergovernmental	999,333	999,333	1,219,241	219,908
Licenses and Permits	289,950	289,950	485,297	195,347
Fines and Forfeits	8,000	8,000	6,076	(1,924)
Public Charges for Services	1,545,514	1,545,514	1,438,748	(106,766)
Intergovernmental Charges for Services	173,739	173,739	173,739	-
Miscellaneous	621,000	621,000	957,716	336,716
Total Revenues	7,169,146	7,169,146	7,865,740	696,594
EXPENDITURES				
Current:				
General Government	1,026,501	1,026,501	1,194,293	(167,792)
Public Safety	1,372,247	1,372,247	1,389,189	(16,942)
Public Works	2,395,228	2,395,228	2,337,136	58,092
Health and Human Services	2,200	2,200	-	2,200
Culture and Recreation	60,000	60,000	47,841	12,159
Conservation and Development	168,564	168,564	120,420	48,144
Capital Outlay	5,415,966	5,415,966	3,179,011	2,236,955
Total Expenditures	10,440,706	10,440,706	8,267,890	2,172,816
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,271,560)	(3,271,560)	(402,150)	2,869,410
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	1,400,000	1,400,000	-	(1,400,000)
Transfer In	60,000	60,000	2,577,159	2,517,159
Transfer Out	-	-	(80,000)	(80,000)
Proceeds from Sale of Capital Assets	15,000	15,000	-	(15,000)
Total Other Financing Sources (Uses)	1,475,000	1,475,000	2,497,159	1,022,159
NET CHANGE IN FUND BALANCE	(1,796,560)	(1,796,560)	2,095,009	3,891,569
Fund Balance - Beginning of Year	9,247,241	9,247,241	9,247,241	-
FUND BALANCE - END OF YEAR	<u>\$ 7,450,681</u>	<u>\$ 7,450,681</u>	<u>\$ 11,342,250</u>	<u>\$ 3,891,569</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2024

	Water Utility	Sewer Utility	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 2,638,740	\$ 4,799,596	\$ 7,438,336
Accounts Receivable - Municipalities and County	80,341	399,857	480,198
Accounts Receivable - Customers	177,076	159,025	336,101
Materials and Supplies	22,117	10,616	32,733
Total Current Assets	<u>2,918,274</u>	<u>5,369,094</u>	<u>8,287,368</u>
Non-Depreciable Capital Assets	70,720	41,436	112,156
Depreciable Capital Assets	13,391,146	16,717,698	30,108,844
Accumulated Depreciation	<u>(3,906,332)</u>	<u>(4,645,317)</u>	<u>(8,551,649)</u>
Total Noncurrent Assets	<u>9,555,534</u>	<u>12,113,817</u>	<u>21,669,351</u>
Total Assets	12,473,808	17,482,911	29,956,719
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	112,469	112,469	224,938
LIABILITIES			
Current Liabilities:			
Accrued and Other Current Liabilities	(4,515)	(2,783)	(7,298)
Accounts Payable	154,172	36,390	190,562
Due to Other Funds	69,435	-	69,435
Total Current Liabilities	<u>219,092</u>	<u>33,607</u>	<u>252,699</u>
Long-Term Obligations:			
Due Within One Year	-	44,838	44,838
Due in More Than One Year	-	348,900	348,900
Net Pension Liability	12,394	12,394	24,788
Total Liabilities	<u>231,486</u>	<u>439,739</u>	<u>671,225</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	<u>66,815</u>	<u>66,815</u>	<u>133,630</u>
NET POSITION			
Net Investment in Capital Assets	9,555,534	12,113,817	21,669,351
Unrestricted	<u>2,732,442</u>	<u>4,975,009</u>	<u>7,707,451</u>
Total Net Position	<u>\$ 12,287,976</u>	<u>\$ 17,088,826</u>	<u>\$ 29,376,802</u>

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, 2024

	Water Utility	Sewer Utility	Total
OPERATING REVENUES			
Charges for Services	\$ 1,501,854	\$ 1,229,518	\$ 2,731,372
Miscellaneous Revenue	14,739	94,995	109,734
Total Operating Revenues	<u>1,516,593</u>	<u>1,324,513</u>	<u>2,841,106</u>
OPERATING EXPENSES			
Sewage Service	-	873,680	873,680
Water Service	1,232,449	-	1,232,449
Depreciation Expense	249,801	257,994	507,795
Total Operating Expenses	<u>1,482,250</u>	<u>1,131,674</u>	<u>2,613,924</u>
OPERATING INCOME	34,343	192,839	227,182
NONOPERATING REVENUES			
Interest Income	<u>126,780</u>	<u>187,692</u>	<u>314,472</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	161,123	380,531	541,654
CAPITAL CONTRIBUTIONS	1,129,470	878,420	2,007,890
TRANSFERS	<u>(69,435)</u>	<u>-</u>	<u>(69,435)</u>
CHANGE IN NET POSITION	1,221,158	1,258,951	2,480,109
Net Position - Beginning of Year	<u>11,066,818</u>	<u>15,829,875</u>	<u>26,896,693</u>
NET POSITION - END OF YEAR	<u><u>\$ 12,287,976</u></u>	<u><u>\$ 17,088,826</u></u>	<u><u>\$ 29,376,802</u></u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Water Utility	Sewer Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 1,454,006	\$ 1,300,044	\$ 2,754,050
Payments to Suppliers	(1,024,033)	(586,825)	(1,610,858)
Payments to Employees	(247,653)	(253,490)	(501,143)
Net Cash Provided by Operating Activities	182,320	459,729	642,049
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(154,894)	(297,475)	(452,369)
Principal Paid on Long-Term Debt	-	(43,681)	(43,681)
Net Cash Used by Capital and Related Financing Activities	(154,894)	(341,156)	(496,050)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	126,780	187,692	314,472
NET INCREASE IN CASH AND CASH EQUIVALENTS	154,206	306,265	460,471
Cash and Cash Equivalents - Beginning of Year	2,484,534	4,493,331	6,977,865
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,638,740</u>	<u>\$ 4,799,596</u>	<u>\$ 7,438,336</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	Water Utility	Sewer Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income	\$ 34,343	\$ 192,839	\$ 227,182
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	249,801	257,994	507,795
Allocated Depreciation	24,617	24,617	49,234
Effects of Changes in Operating Assets and Liabilities:			
Receivables	(58,072)	(21,686)	(79,758)
Inventories	(2,974)	22	(2,952)
Deferred Outflows	(3,273)	(3,273)	(6,546)
Pension Asset	(15,882)	(15,882)	(31,764)
Accounts Payable and Other Current Liabilities	(53,297)	18,041	(35,256)
Deferred Inflows	7,057	7,057	14,114
Net Cash Provided by Operating Activities	<u>\$ 182,320</u>	<u>\$ 459,729</u>	<u>\$ 642,049</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR ARE RECONCILED FROM THE BALANCE SHEET AS FOLLOWS			
Cash and Investments	<u>\$ 2,638,740</u>	<u>\$ 4,799,596</u>	<u>\$ 7,438,336</u>
NONCASH ACTIVITY			
Developer Contributed Capital	<u>\$ 1,129,470</u>	<u>\$ 878,420</u>	<u>\$ 2,007,890</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS
DECEMBER 31, 2024

ASSETS

Cash and Investments	\$ 6,201,868
Receivables:	
Taxes and Special Charges	<u>12,476,744</u>
Total Assets	<u>18,678,612</u>

LIABILITIES

Due to Other Governments	-
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DEFERRED INFLOWS OF RESOURCES

Property Taxes Levied for Subsequent Year	<u>18,678,612</u>
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NET POSITION - RESTRICTED

<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

ADDITIONS	
Tax Collections	\$ 18,678,612
DEDUCTIONS	<u>18,678,612</u>
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

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

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:

General Fund

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. 2

Used to account for the accumulation of resources for, and the payment of the activities of Tax Incremental District No. 2 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 and are carried at cost. 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

F. Accounting Changes

The Village's Tax Incremental District No. 2 previously did not meet the criteria to be reported as a major governmental fund. However, effective January 1, 2024, the fund now meets the criteria to be reported as a major governmental fund and is reported as such for the fiscal year ended December 31, 2024.

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

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 did not have any violation of legal or contractual provisions for the fiscal year ended December 31, 2024.

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

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Deficit Fund Equity

The following funds had a deficit fund balance as of December 31, 2024:

Fund:	Deficit Fund Balance
TIF District No. 2	\$ (515,893)
TIF District No. 5	(1,131,313)
TIF District No. 6	(261,569)
Total	<u>\$ (1,647,206)</u>

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 2024 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
- Wisconsin local government investment pool

The carrying amount of the Village's cash and investments totaled \$39,195,849 as of December 31, 2024, as summarized below:

Petty Cash and Cash on Hand	\$ 424
Deposits with Financial Institutions	38,915,196
Investments:	
Wisconsin Local Government Investment Pool	280,229
Total	<u>\$ 39,195,849</u>

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

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 currently has no investments that are subject to fair value measurement.

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, 2024, \$2,371,273 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits and uncollateralized.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

The Village has investments in the Wisconsin local government investment pool of \$280,229 at December 31, 2024. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2024, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

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 investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The Village does not have an additional credit risk policy. The Village's investment in the Wisconsin local government investment pool is not rated.

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. The Local Government Investment Pool has a weighted average maturity of 9 days.

Credit Risk

Credit risk is the risk that an issue or other counterparty to an investment will not fulfill its obligations. The Village's investment policy does not address credit risk for investments. The Village holds investments in LGIP, which is not rated.

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

NOTE 4 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,565,180	\$ 1,388,990	\$ -	\$ 3,954,170
Construction in Progress	1,561,008	1,603,388	1,561,008	1,603,388
Total Capital Assets, Not Being Depreciated	4,126,188	2,992,378	1,561,008	5,557,558
Capital Assets, Being Depreciated:				
Land Improvements	3,653,721	239,055	9,440	3,883,336
Buildings and Improvements	2,791,208	-	-	2,791,208
Machinery and Equipment	7,425,222	876,868	1,346,911	6,955,179
Infrastructure	17,800,504	3,550,346	59,863	21,290,987
Subtotals	31,670,655	4,666,269	1,416,214	34,920,710
Less Accumulated Depreciation for:				
Land Improvements	856,579	144,285	8,310	992,554
Buildings and Improvements	1,244,752	34,650	-	1,279,402
Machinery and Equipment	4,208,070	372,472	1,243,296	3,337,246
Infrastructure	4,951,835	669,010	35,596	5,585,249
Subtotals	11,261,236	1,220,417	1,287,202	11,194,451
Total Capital Assets, Being Depreciated, Net	14,334,427	3,445,852	129,012	23,726,259
Governmental Activities Capital Assets, Net	<u>\$ 18,460,615</u>	<u>\$ 6,438,230</u>	<u>\$ 1,690,020</u>	29,283,817
Less: Capital Related Debt				(13,336,683)
Add: Unspent Bond Proceeds				9,020,870
Net Investment in Capital Assets				<u>\$ 24,968,004</u>

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

Governmental Activities:	
General Government	\$ 124,617
Public Safety	112,005
Public Works	897,264
Culture and Recreation	86,531
Total Depreciation Expense - Governmental Activities	<u>\$ 1,220,417</u>

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

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Water Utility				
Capital Assets, Not Being Depreciated:				
Land	\$ 70,720	\$ -	\$ -	\$ 70,720
Capital Assets, Being Depreciated:				
Supply Mains	22,180	-	-	22,180
Tran/Dist-Structures & Improve	336,515	-	-	336,515
Transmission and Distribution	7,339,167	618,322	-	7,957,489
Service Connections	1,875,464	208,003	-	2,083,467
Meters	854,296	93,622	11,745	936,173
Hydrants	1,280,843	160,238	-	1,441,081
Misc Structure and Improv.	363,320	10,825	-	374,145
Office Furniture and Equip.	61,208	-	-	61,208
Computers	44,912	-	-	44,912
Transportation	100,752	-	-	100,752
Store Equipment	3,553	-	-	3,553
Other General Plant	8,129	-	-	8,129
Power Operated Equipment	21,540	-	-	21,540
Subtotals	12,311,879	1,091,010	11,745	13,391,144
Less Accumulated Depreciation for:				
Supply Mains	-	399	-	399
Tran/Dist-Structures & Improve	-	10,768	-	10,768
Transmission and Distribution	1,516,299	99,428	-	1,615,727
Service Connections	753,321	57,402	-	810,723
Meters	376,025	49,238	11,745	413,518
Hydrants	422,088	29,941	-	452,029
Misc Structure and Improv.	322,346	10,693	-	333,039
Office Furniture and Equip.	68,307	-	-	68,307
Computers	59,982	3,032	-	63,014
Transportation	86,577	13,400	-	99,977
Store Equipment	2,817	-	-	2,817
Other General Plant	35,895	-	-	35,895
Power Operated Equipment	-	117	-	117
Subtotals	3,643,657	274,418	11,745	3,906,330
Total Capital Assets, Being Depreciated, Net	8,668,222	816,592	-	9,484,814
Water Utility Capital Assets, Net	<u>\$ 8,738,942</u>	<u>\$ 816,592</u>	<u>\$ -</u>	<u>9,555,534</u>
Net Investment in Capital Assets				<u><u>\$ 9,555,534</u></u>

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

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Sewer Utility				
Capital Assets, Not Being Depreciated:				
Land	\$ 41,436	\$ -	\$ -	\$ 41,436
Capital Assets, Being Depreciated:				
Service Connections	1,669,526	224,439	-	1,893,965
Collecting Mains	9,786,813	829,612	-	10,616,425
Force Mains	1,529,258	-	-	1,529,258
Electrical Pumping Equipment	30,974	58,095	-	89,069
Lift Stations	1,886,023	52,924	37,152	1,901,795
Misc. Structure and Improvements	405,988	10,825	-	416,813
Office Furniture and Equipment	65,607	-	-	65,607
Computer Equipment	44,913	-	-	44,913
Transportation Equipment	100,752	-	-	100,752
Other General Plant	59,101	-	-	59,101
Subtotals	15,578,955	1,175,895	37,152	16,717,698
Less Accumulated Depreciation for:				
Service Connections	585,587	52,329	-	637,916
Collecting Mains	2,364,009	133,363	-	2,497,372
Force Mains	415,076	30,585	-	445,661
Electrical Pumping Equipment	2,381	2,641	-	5,022
Lift Stations	524,657	37,878	37,152	525,383
Misc. Structure and Improvements	210,293	11,931	-	222,224
Office Furniture and Equipment	112,385	-	-	112,385
Computer Equipment	-	367	-	367
Transportation Equipment	115,697	13,400	-	129,097
Other General Plant	69,773	117	-	69,890
Subtotals	4,399,858	282,611	37,152	4,645,317
Total Capital Assets, Being Depreciated, Net	11,179,097	893,284	-	12,072,381
Business-Type Activities				
Capital Assets, Net	<u>\$ 11,220,533</u>	<u>\$ 893,284</u>	<u>\$ -</u>	<u>12,113,817</u>
Net Investment in Capital Assets				<u>\$ 12,113,817</u>

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

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, 2024, are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary Cash Advances to Finance Operating		
Cash Deficits:		
Governmental Funds:		
General Fund	\$ 861,640	\$ -
TIF District No. 5	-	530,636
TIF District No. 6	-	261,569
Proprietary Funds:		
Water Utility	-	69,435
Total	<u>\$ 861,640</u>	<u>\$ 861,640</u>

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, 2024:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Debt					
Direct Placements:					
Notes	\$ 6,060,000	\$ 8,275,000	\$ 1,165,000	\$ 13,170,000	\$ 1,260,000
State Trust Fund Loans	-	900,000	-	900,000	86,871
Premium on Debt	2,391	451,683	2,391	451,683	-
Governmental Activities					
Long-Term Obligations	<u>\$ 6,060,000</u>	<u>\$ 9,175,000</u>	<u>\$ 1,165,000</u>	<u>\$ 14,070,000</u>	<u>\$ 1,346,871</u>
Business-Type Activities:					
General Obligation Debt					
Direct Placements:					
Clean Water Fund Loans (1)	\$ 437,419	\$ -	\$ 43,681	\$ 393,738	\$ 44,838
Governmental Activities					
Long-Term Obligations	<u>\$ 437,419</u>	<u>\$ -</u>	<u>\$ 43,681</u>	<u>\$ 393,738</u>	<u>\$ 44,838</u>

Interest paid during the year on long-term debt totaled \$134,500.

- (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.

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

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 12/31/24
General Obligation Notes	11/17/20	3/1/35	0.5-2.00%	\$ 1,425,000	\$ 1,115,000
General Obligation Notes	11/17/20	3/1/30	2.00%	1,880,000	1,185,000
General Obligation Notes	3/31/22	9/1/32	2.00%	1,305,000	870,000
General Obligation Notes	11/15/22	9/1/32	4.00-5.00%	1,600,000	1,020,000
General Obligation Notes	12/14/23	3/1/33	5.00%	1,400,000	705,000
General Obligation Notes	12/16/24	3/1/34	4.00-5.00%	8,275,000	8,275,000
General Obligation Notes	8/6/24	3/15/34	6.00%	900,000	900,000
Total Outstanding					
General Obligation Debt					<u>\$ 14,070,000</u>

Annual principal and interest maturities of the outstanding general obligation debt on December 31, 2024 are detailed below:

Year Ended December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 1,346,871	\$ 411,386	\$ 44,838	\$ 9,825
2026	1,265,778	491,593	46,024	8,623
2027	1,385,026	437,721	47,242	7,389
2028	1,444,418	379,829	48,492	6,123
2029	1,479,292	320,322	49,775	4,822
2030 - 2034	7,028,615	702,452	157,367	6,318
2035 - 2038	120,000	1,200	-	-
Total	<u>\$ 14,070,000</u>	<u>\$ 2,744,503</u>	<u>\$ 393,738</u>	<u>\$ 43,100</u>

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2024, was \$89,234,100 as follows:

Equalized Valuation at the Village	\$ 2,066,082,000
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, Per	
Section 67.03 of the Wisconsin Statutes	103,304,100
Total Outstanding General Obligation Debt	
Applicable to Debt Limitation	<u>14,070,000</u>
Legal Margin for New Debt	<u>\$ 89,234,100</u>

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.

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

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 WRS Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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.

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.

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

NOTE 7 PENSION PLAN (CONTINUED)

Postretirement Adjustments

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

The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2014	4.7 %	25.0 %
2015	2.9 %	2.0 %
2016	0.5 %	(5.0)%
2017	2.0 %	4.0 %
2018	2.4 %	17.0 %
2019	- %	(10.0)%
2020	1.7 %	21.0 %
2021	5.1 %	13.0 %
2022	7.4 %	15.0 %
2023	1.6 %	(21.0)%

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, 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, 2024, the WRS recognized \$102,893 in contributions from the Village.

Contribution rates as of December 31, 2024 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers)	6.90 %	6.90 %
Protective with Social Security	6.90 %	14.30 %
Protective without Social Security	6.90 %	19.10 %

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

NOTE 7 PENSION PLAN (CONTINUED)

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

At December 31, 2024, the Village reported a liability of \$111,013 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023.

No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the Village's proportion was .00746664%, which was an increase of 0.0002179% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Village recognized pension expense of \$77,404.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 447,609	\$ 592,861
Net Differences Between Projected and Actual		
Earnings on Pension Plan Investments	386,868	-
Changes in Assumptions	48,388	-
Changes in Proportion and Differences Between		
Employer Contributions and Proportionate Share		
of Contributions	3,667	5,590
Employer Contributions Subsequent to the		
Measurement Date	102,893	-
Total	<u>\$ 989,425</u>	<u>\$ 598,451</u>

The \$102,893 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, 2025.

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

NOTE 7 PENSION PLAN (CONTINUED)

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

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 58,692
2026	60,894
2027	242,636
2028	(74,141)
Total	<u>\$ 288,081</u>

Actuarial Assumptions

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
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% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

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.

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

NOTE 7 PENSION PLAN (CONTINUED)

Long-Term Expected Return on Plan Assets (Continued)

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

	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Core Fund Asset Class:			
Global Equities	40.0 %	7.3 %	4.5 %
Fixed Income	27.0	5.8	3.0
Inflation Sensitive Assets	19.0	4.4	1.7
Real Estate	8.0	5.8	3.0
Private Equity/Debt	18.0	9.6	6.7
Leverage	(12.0)	3.7	1.0
Total Core Fund	<u>100.0 %</u>	7.4	4.6
Variable Fund Asset Class:			
U.S. Equities	70.0 %	6.8	4.0
International Equities	30.0	7.6	4.8
Total Variable Fund	<u>100.0 %</u>	7.3	4.5

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

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

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

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability, for the current and prior year. 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: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year. Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

NOTE 7 PENSION PLAN (CONTINUED)

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)	<u>\$ 1,073,008</u>	<u>\$ 111,013</u>	<u>\$ (562,133)</u>

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

The Village reported a payable of \$24,475 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2024.

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

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, 2024, restricted fund balance was as follows:

General Fund:

Restricted for:

Fire Protection	\$ 176,497
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Debt Service	165
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Special Revenue Funds:

Restricted for:

Park Improvements	436,416
Law Enforcement Impact	105,459
Fire Department Impact	894,872
Stormwater	<u>369,052</u>
Total Special Revenue Funds	<u>1,805,799</u>

Capital Project Funds:

Restricted for:

TIF Project Costs	1,021,315
Capital Projects	<u>9,020,870</u>
Total Capital Project Funds	<u>10,042,185</u>

Total Restricted Fund Balance	<u><u>\$ 12,024,646</u></u>
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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, 2024, fund balance was assigned as follows:

General Fund

Assigned for:

Fire Truck	\$ 927,401
Fire Equipment	49,384
Fire Station	3,851,079
Election Equipment	<u>8,044</u>
Total Restricted Net Position	<u><u>\$ 4,835,908</u></u>

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

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, and Tax Incremental District (TID) No. 4, 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.

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, 2025. 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 2024 in accordance with this agreement.

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

NOTE 9 OTHER INFORMATION (CONTINUED)

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, 2024, the Village contributed \$31,656 to the plan, and the Village recognized pension expense of \$31,656.

F. Subsequent Events

During 2025, the Village issued the following long-term debt obligations:

- On January 21, 2025, the Village issued State Trust Loan in the amount of \$450,000 to be used for financing land purchase within TID #5.

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

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	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

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 (Fiscal Year)	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

See accompanying Note to Required Supplementary Information.

**VILLAGE OF HARRISON, WISCONSIN
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

NOTE 1 CHANGES OF BENEFIT TERMS

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 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

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

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

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

VILLAGE OF HARRISON, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Special Revenue					Capital Projects					
	Park Impact Fees Fund	Law Enforcement Impact Fees	Fire Department Impact Fees	Fire Department	Stormwater	ARPA	Tax		Incremental		Total
							District No. 1	District No. 3	District No. 4	District No. 5	
ASSETS											
Cash and Investments	\$ 468,164	\$ 105,459	\$ 894,872	\$ -	\$ 380,139	\$ 83,508	\$ 1,053,969	\$ 157,957	\$ 508,874	\$ -	\$ 3,654,431
Receivables:											
Taxes and Special Charges	-	-	-	-	-	-	692,249	-	714,955	-	1,410,199
Total Assets	\$ 468,164	\$ 105,459	\$ 894,872	\$ -	\$ 380,139	\$ 83,508	\$ 1,746,218	\$ 157,957	\$ 1,223,829	\$ -	\$ 5,064,630
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES											
LIABILITIES											
Accounts Payable	\$ 31,748	\$ -	\$ -	\$ -	\$ 11,087	\$ -	\$ -	\$ -	\$ -	\$ 17,320	\$ 60,155
Unearned Revenue	-	-	-	-	-	83,508	-	-	-	-	83,508
Due to Other Funds	-	-	-	-	-	-	-	-	-	530,636	792,205
Advance from Other Funds	-	-	-	-	-	-	-	-	-	583,357	583,357
Total Liabilities	31,748	-	-	-	11,087	83,508	-	-	-	1,131,313	1,519,225
DEFERRED INFLOWS OF RESOURCES											
Property Taxes Levied for Subsequent Year	-	-	-	-	-	-	1,036,348	-	1,070,341	-	2,111,173
FUND BALANCES											
Restricted	436,416	105,459	894,872	-	369,052	-	709,870	157,957	153,488	-	2,827,114
Unassigned	-	-	-	-	-	-	-	-	-	(1,131,313)	(1,392,882)
Total Fund Balances	436,416	105,459	894,872	-	369,052	-	709,870	157,957	153,488	(1,131,313)	1,434,232
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 468,164	\$ 105,459	\$ 894,872	\$ -	\$ 380,139	\$ 83,508	\$ 1,746,218	\$ 157,957	\$ 1,223,829	\$ -	\$ 5,064,630

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
VILLAGE OF HARRISON, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	Special Revenue							Capital Projects										
	Law Enforcement			Fire Department		Storm Water	District No. 1		District No. 2		District No. 3		District No. 4		District No. 5		District No. 6	
	ARPA Grant	Impact Fees	Enforcement	Department	Impact Fees		Tax Incremental	Tax Incremental	Tax Incremental	Tax Incremental	Tax Incremental	Tax Incremental	Tax Incremental	Tax Incremental				
REVENUES																		
Taxes	\$ 115,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 949,174	\$ -	\$ -	\$ 130,924	\$ 568,246	\$ -	\$ -	\$ -	\$ -	\$ 1,763,983	
Intergovernmental	-	511,285	-	-	-	-	-	-	-	-	-	-	-	-	-	-	511,285	
Licenses and Permits	-	-	11,089	93,492	-	-	-	-	-	-	-	-	-	-	-	-	104,581	
Public Charges for Service	-	-	-	-	-	-	442,071	-	-	-	-	-	-	-	-	-	442,071	
Total Revenues	115,639	511,285	11,089	93,492	93,492	-	442,071	949,174	-	-	130,924	568,246	-	-	-	-	2,821,920	
EXPENDITURES																		
Current:																		
General Government	-	511,285	-	-	-	-	-	-	-	-	-	-	-	-	-	-	511,285	
Public Works	-	-	-	-	-	-	147,009	-	-	-	-	-	-	-	-	-	147,009	
Conservation and Development	-	-	-	-	-	-	-	693,012	-	-	57,756	497,244	535,107	10,569	-	-	1,793,688	
Capital Outlay	633,931	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	633,931	
Total Expenditures	633,931	511,285	-	-	-	-	147,009	693,012	-	-	57,756	497,244	535,107	10,569	-	-	3,085,913	
OTHER FINANCING USES																		
Transfer Out	-	-	-	-	-	-	-	(378,750)	-	-	-	-	-	-	-	-	(378,750)	
NET CHANGE IN FUND BALANCES																		
	(518,292)	-	11,089	93,492	93,492	-	295,062	(122,588)	-	-	73,168	71,002	(535,107)	(10,569)	-	-	(642,743)	
Fund Balances - Beginning of Year, as Originally Reported	954,708	-	94,370	801,380	801,380	-	73,990	832,458	211,760	84,789	82,486	(596,206)	(251,000)	(251,000)	-	-	2,288,735	
Change within Financial Reporting Entity (Nonmajor to Major)																		
	-	-	-	-	-	-	-	-	(211,760)	-	-	-	-	-	-	-	(211,760)	
Fund Balances - End of Year, as Adjusted	954,708	-	94,370	801,380	801,380	-	73,990	832,458	-	-	84,789	82,486	(596,206)	(251,000)	-	-	2,076,975	
FUND BALANCES - END OF YEAR																		
	\$ 436,416	\$ -	\$ 105,459	\$ 894,872	\$ 894,872	\$ -	\$ 369,052	\$ 709,870	\$ -	\$ -	\$ 157,957	\$ 153,488	\$ (1,131,313)	\$ (261,569)	\$ -	\$ -	\$ 1,434,232	



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