

VILLAGE OF HARRISON, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022



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**VILLAGE OF HARRISON, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022**

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	4
STATEMENT OF ACTIVITIES	5
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	8
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	9
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND	10
STATEMENT OF NET POSITION - PROPRIETARY FUNDS	11
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS	12
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS	13
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS	15
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS	16
NOTES TO BASIC FINANCIAL STATEMENTS	17
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) – WISCONSIN RETIREMENT SYSTEM	40
SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM	41
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	42
SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	43
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	44



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, 2022, 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, 2022, 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 adverse and unmodified audit opinions.

Emphasis-of-Matter Regarding a Change in Accounting Principle

As discussed in Note 9.E. to the financial statements, the Village restated beginning net position of the water Utility and Business-Type Activities and beginning fund balance of the General Fund as of December 31, 2021. Our opinion is 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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 detailed comparison of budgeted and actual revenues and the detailed comparison of budgeted and actual expenditures for the general fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
December 27, 2023

**VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities	Business-Type Activities	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Investments	\$ 16,620,952	\$ 6,836,318	\$ 23,457,270
Receivables:			
Taxes and Special Charges	5,046,018	-	5,046,018
Accounts, Net	5,804	263,768	269,572
Special Assessments	1,216,900	8,090	1,224,990
Due from Other Governments	71,054	554,152	625,206
Prepaid Expenses	-	10,008	10,008
Inventory	-	29,911	29,911
Internal Balances	282,765	(282,765)	-
Net Pension Asset	510,213	40,628	550,841
Capital Assets, Nondepreciable	2,696,566	112,156	2,808,722
Capital Assets, Depreciable	20,266,812	18,435,299	38,702,111
Total Assets	<u>46,717,084</u>	<u>26,007,565</u>	<u>72,724,649</u>
 DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	999,090	92,068	1,091,158
Total Deferred Outflows of Resources	<u>999,090</u>	<u>92,068</u>	<u>1,091,158</u>
 LIABILITIES			
Accounts Payable	578,874	180,391	759,265
Accrued and Other Current Liabilities	86,223	344,147	430,370
Due to Other Governments	(6,417)	-	(6,417)
Unearned revenue	976,386	-	976,386
Accrued Interest Payable	16,843	-	16,843
Special Deposits	982,260	-	982,260
Long-Term Obligations:			
Due Within One Year	830,000	42,556	872,556
Due in More Than One Year	4,660,000	437,419	5,097,419
Total Liabilities	<u>8,124,169</u>	<u>1,004,513</u>	<u>9,128,682</u>
 DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	7,898,275	-	7,898,275
Pension Related Amounts	1,203,130	95,806	1,298,936
Total Deferred Inflows of Resources	<u>9,101,405</u>	<u>95,806</u>	<u>9,197,211</u>
 NET POSITION			
Net Investment in Capital Assets	21,709,586	18,547,455	40,257,041
Restricted	2,857,177	40,628	2,897,805
Unrestricted	5,923,837	6,411,231	12,335,068
Total Net Position	<u>\$ 30,490,600</u>	<u>\$ 24,999,314</u>	<u>\$ 55,489,914</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 1,196,896	\$ 446,996	\$ 317,108	\$ -	\$ (432,792)	\$ -	\$ (432,792)
Public Safety	1,207,675	958,115	68,522	-	(181,038)	-	(181,038)
Public Works	2,608,480	3,369,928	-	383,639	1,145,087	-	1,145,087
Health and Human Services	-	-	18,117	-	18,117	-	18,117
Culture and Recreation	112,018	182,440	31	-	70,453	-	70,453
Conservation and Development	745,725	-	73,318	-	(672,407)	-	(672,407)
Interest and Fiscal Charges	158,037	-	-	-	(158,037)	-	(158,037)
Total Governmental Activities	\$ 6,028,831	\$ 4,957,479	\$ 477,096	\$ 383,639	(210,617)	-	(210,617)
BUSINESS-TYPE ACTIVITIES							
Water Utility	1,357,349	1,645,887	-	-	-	288,538	288,538
Sewer Utility	892,563	1,485,899	-	-	-	593,336	593,336
Total Business-Type Activities	2,249,912	3,131,786	-	-	-	881,874	881,874
Total	8,278,743	8,089,265	477,096	383,639	(210,617)	881,874	671,257
GENERAL REVENUES							
Taxes:							
Property Taxes					3,611,822	-	3,611,822
Tax Increments					599,626	-	599,626
Other Taxes					216,607	-	216,607
Federal and State Grants and Other Contributions							
Not Restricted to Specific Functions					134,093	-	134,093
Interest and Investment Earnings					89,423	38,077	127,500
Miscellaneous					492,989	-	492,989
Total General Revenues					5,144,560	38,077	5,182,637
CHANGE IN NET POSITION							
					4,933,943	919,951	5,853,894
Net Position - Beginning of Year					25,556,657	24,079,363	49,636,020
NET POSITION - END OF YEAR					\$ 30,490,600	\$ 24,999,314	\$ 55,489,914

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HARRISON, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Other Governmental Funds	Total
ASSETS					
Cash and Investments	\$ 9,827,162	\$ 57,239	\$ 2,686,208	\$ 4,050,343	\$ 16,620,952
Receivables:					
Taxes and Special Charges	3,587,202	519,330	0	939,486	5,046,018
Accounts, Net	5,804	-	-	-	5,804
Special Assessments	1,216,900	-	-	-	1,216,900
Due from Other Funds	866,122	-	-	-	866,122
Due from Other Governments	71,054	-	-	-	71,054
Assets held for sale	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 15,574,244</u>	<u>\$ 576,569</u>	<u>\$ 2,686,208</u>	<u>\$ 4,989,829</u>	<u>\$ 23,826,850</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 557,479	\$ -	\$ -	\$ 21,395	\$ 578,874
Accrued and Other Current Liabilities	86,223	-	-	-	86,223
Due to Other Funds	-	-	-	583,357	583,357
Unearned revenue	-	-	-	976,386	976,386
Due to Other Governments	(6,417)	-	-	-	(6,417)
Special Deposits	982,260	-	-	-	982,260
Total Liabilities	<u>1,619,545</u>	<u>-</u>	<u>-</u>	<u>1,581,138</u>	<u>3,200,683</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes and Special Charges Levied for Subsequent Year	5,615,266	812,738	-	1,470,271	7,898,275
Special Assessments	973,757	-	-	-	973,757
Total Deferred Inflows of Resources	<u>6,589,023</u>	<u>812,738</u>	<u>-</u>	<u>1,470,271</u>	<u>8,872,032</u>
FUND BALANCES					
Nonspendable	583,357	-	-	-	583,357
Restricted	-	-	2,686,208	2,346,964	5,033,172
Assigned	-	-	-	-	-
Unassigned	6,782,319	(236,169)	-	(408,544)	6,137,606
Total Fund Balances	<u>7,365,676</u>	<u>(236,169)</u>	<u>2,686,208</u>	<u>1,938,420</u>	<u>11,754,135</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,574,244</u>	<u>\$ 576,569</u>	<u>\$ 2,686,208</u>	<u>\$ 4,989,829</u>	<u>\$ 23,826,850</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HARRISON, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2022**

Total Fund Balances as Shown on Previous Page	\$ 11,754,135
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.	22,963,378
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	
Special Assessments	973,757
Net Pension Asset	510,213
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	999,090
Deferred Inflows Related to Pensions	(1,203,130)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Notes Payable	(5,490,000)
Accrued Interest on Long-Term Obligations	<u>(16,843)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position	<u><u>\$ 30,490,600</u></u>

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, 2022

	General	Debt Service	Capital Projects	Other Governmental Funds	Total
REVENUES					
Taxes	\$ 2,989,597	\$ 644,998	\$ -	\$ 793,458	\$ 4,428,053
Special Assessments	899,338	-	-	-	899,338
Intergovernmental	676,380	-	-	317,108	993,488
Licenses and Permits	549,052	-	-	415,803	964,855
Fines and Forfeits	14,294	-	-	-	14,294
Public Charges for Services	2,243,167	-	-	-	2,243,167
Intergovernmental Charges for Services	166,528	-	-	-	166,528
Miscellaneous	563,203	-	-	-	563,203
Total Revenues	<u>8,101,559</u>	<u>644,998</u>	<u>-</u>	<u>1,526,369</u>	<u>10,272,926</u>
EXPENDITURES					
Current:					
General Government	865,055	-	-	317,108	1,182,163
Public Safety	1,123,027	-	-	8	1,123,035
Public Works	1,943,598	-	-	-	1,943,598
Culture and Recreation	40,784	-	-	-	40,784
Conservation and Development	108,451	-	-	511,521	619,972
Debt Service:					
Principal	-	995,000	-	-	995,000
Interest and Fiscal Charges	-	117,437	32,094	-	149,531
Capital Outlay	4,245,415	-	-	585,788	4,831,203
Total Expenditures	<u>8,326,330</u>	<u>1,112,437</u>	<u>32,094</u>	<u>1,414,425</u>	<u>10,885,286</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(224,771)	(467,439)	(32,094)	111,944	(612,360)
OTHER FINANCING SOURCES					
Long-Term Debt Issued	-	251,216	2,653,784	-	2,905,000
Premium on Debt Issued	-	-	19,210	-	19,210
Transfers In	-	183,150	-	9,172	192,322
Transfers Out	-	-	-	(192,322)	(192,322)
Total Other Financing Sources	<u>-</u>	<u>434,366</u>	<u>2,672,994</u>	<u>(183,150)</u>	<u>2,924,210</u>
NET CHANGE IN FUND BALANCES	(224,771)	(33,073)	2,640,900	(71,206)	2,311,850
Fund Balances - Beginning of Year, restated	<u>7,590,447</u>	<u>(203,096)</u>	<u>45,308</u>	<u>2,009,626</u>	<u>9,442,285</u>
FUND BALANCES - END OF YEAR	<u>\$ 7,365,676</u>	<u>\$ (236,169)</u>	<u>\$ 2,686,208</u>	<u>\$ 1,938,420</u>	<u>\$ 11,754,135</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, 2022**

Net Change in Fund Balances as Shown on Previous Page	\$ 2,311,850
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	4,698,589
Capital Assets Reported in Functional Expenses	-
Depreciation Expense Reported in the Statement of Activities	(931,050)
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	670,638
Net Pension Asset	77,152
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	(2,905,000)
Principal Repaid	995,000
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	(8,506)
Deferred Outflows of Resources Related to Pensions	280,202
Deferred Inflows of Resources Related to Pensions	(254,932)
	(8,506)
	280,202
	(254,932)
Change in Net Position of Governmental Activities as Reported in the Statement of Activities	<u>\$ 4,933,943</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 2,906,823	\$ 2,906,823	\$ 2,989,597	\$ 82,774
Special Assessments	-	-	899,338	899,338
Intergovernmental	619,933	619,933	676,380	56,447
Licenses and Permits	303,653	303,653	549,052	245,399
Fines and Forfeits	6,500	6,500	14,294	7,794
Public Charges for Services	1,678,716	1,678,716	2,243,167	564,451
Intergovernmental Charges for Services	172,570	172,570	166,528	(6,042)
Miscellaneous	25,600	25,600	563,204	537,604
Total Revenues	<u>5,713,795</u>	<u>5,713,795</u>	<u>8,101,560</u>	<u>2,387,765</u>
EXPENDITURES				
Current:				
General Government	787,181	787,181	865,055	(77,874)
Public Safety	1,096,982	1,096,982	1,123,027	(26,045)
Public Works	2,214,017	2,214,017	1,943,598	270,419
Health and Human Services	2,200	2,200	-	2,200
Culture and Recreation	45,000	45,000	40,784	4,216
Conservation and Development	244,735	244,735	108,451	136,284
Capital Outlay	<u>2,538,920</u>	<u>2,538,920</u>	<u>4,245,415</u>	<u>(1,706,495)</u>
Total Expenditures	<u>6,929,035</u>	<u>6,929,035</u>	<u>8,326,330</u>	<u>(1,397,295)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,215,240)	(1,215,240)	(224,770)	990,470
OTHER FINANCING SOURCES				
Long-Term Debt Issued	1,500,000	1,500,000	-	(1,500,000)
Proceeds from Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
NET CHANGE IN FUND BALANCE	284,760	284,760	(224,770)	(509,530)
Fund Balance - Beginning of Year, restated	<u>7,590,447</u>	<u>7,590,447</u>	<u>7,590,447</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,875,207</u>	<u>\$ 7,875,207</u>	<u>\$ 7,365,677</u>	<u>\$ (509,530)</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022

ASSETS	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Current Assets			
Cash and Investments	\$ 2,712,230	\$ 4,124,088	\$ 6,836,318
Accounts Receivable - municipalities and county	70,884	483,268	554,152
Accounts Receivable - customers	138,973	132,885	271,858
Prepaid Expenses	5,004	5,004	10,008
Materials and Supplies	19,235	10,676	29,911
Due from other funds	59,836	-	59,836
Total Current Assets	<u>3,006,162</u>	<u>4,755,921</u>	<u>7,762,083</u>
Net Pension Asset	20,314	20,314	40,628
Non-Depreciable Capital Assets	70,720	41,436	112,156
Depreciable Capital Assets	11,328,341	14,729,174	26,057,515
Accumulated Depreciation	<u>(3,434,582)</u>	<u>(4,187,634)</u>	<u>(7,622,216)</u>
Total Non-Current Assets	<u>7,984,793</u>	<u>10,603,290</u>	<u>18,588,083</u>
TOTAL ASSETS	<u>10,990,955</u>	<u>15,359,211</u>	<u>26,350,166</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	<u>46,034</u>	<u>46,034</u>	<u>92,068</u>
Total Deferred Outflows of Resources	<u>46,034</u>	<u>46,034</u>	<u>92,068</u>
LIABILITIES			
Current Liabilities			
Accrued connection fees refund	\$ 273,093	\$ -	\$ 273,093
Other accrued liabilities	71,054	-	71,054
Accounts payable	132,513	47,878	180,391
Due to other funds	<u>282,765</u>	<u>59,836</u>	<u>342,601</u>
Total Current liabilities	759,425	107,714	867,139
Long-Term Obligations:			
Due Within One Year	-	42,556	42,556
Due in More Than One Year	<u>-</u>	<u>437,419</u>	<u>437,419</u>
Total Liabilities	759,425	587,689	1,347,114
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	<u>47,903</u>	<u>47,903</u>	<u>95,806</u>
Total Deferred Inflows of Resources	<u>47,903</u>	<u>47,903</u>	<u>95,806</u>
NET POSITION			
Net investment in capital assets	7,964,479	10,582,976	18,547,455
Restricted	20,314	20,314	40,628
Unrestricted	<u>2,244,868</u>	<u>4,166,363</u>	<u>6,411,231</u>
Total net position	<u>\$ 10,229,661</u>	<u>\$ 14,769,653</u>	<u>\$ 24,999,314</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, 2022**

	Water Utility	Sewer Utility	Total
OPERATING REVENUES			
Charges for Services	\$ 1,641,413	\$ 1,169,006	\$ 2,810,419
Miscellaneous Revenue	4,474	316,893	321,367
Total Operating Revenues	<u>1,645,887</u>	<u>1,485,899</u>	<u>3,131,786</u>
OPERATING EXPENSES			
Sewage Service	-	591,285	591,285
Water Service	1,125,517	-	1,125,517
Depreciation Expense	231,832	301,278	533,110
Total Operating Expenses	<u>1,357,349</u>	<u>892,563</u>	<u>2,249,912</u>
OPERATING INCOME	288,538	593,336	881,874
NONOPERATING REVENUES (EXPENSES)			
Interest Income	18,992	19,085	38,077
Interest Expense	-	-	-
Total Nonoperating Revenues (Expenses)	<u>18,992</u>	<u>19,085</u>	<u>38,077</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	307,530	612,421	919,951
CAPITAL CONTRIBUTIONS	-	-	-
TRANSFERS	-	-	-
CHANGE IN NET POSITION	307,530	612,421	919,951
Net Position - Beginning of Year, restated	<u>9,922,131</u>	<u>14,157,232</u>	<u>24,079,363</u>
NET POSITION - END OF YEAR	<u>\$ 10,229,661</u>	<u>\$ 14,769,653</u>	<u>\$ 24,999,314</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Water Utility	Sewer Utility	Total
	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 1,752,095	\$ 1,449,757	\$ 3,201,852
Payments to Suppliers	(910,462)	(447,740)	(1,358,202)
Interfunds	(157,983)	(154,510)	(312,493)
Payments to Employees	(200,949)	(210,316)	(411,265)
Net Cash Provided (Used) by Operating Activities	<u>482,701</u>	<u>637,191</u>	<u>1,119,892</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(339,942)	(9,405)	(349,347)
Principal Paid on Long-Term Debt	-	-	-
Transfer from Other Funds	-	-	-
Interest Paid on Long-Term Debt	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(339,942)</u>	<u>(9,405)</u>	<u>(349,347)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	18,992	19,085	38,077
Net Cash Provided by Investing Activities	<u>18,992</u>	<u>19,085</u>	<u>38,077</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	161,751	646,871	808,622
Cash and Cash Equivalents - Beginning of Year	<u>2,550,479</u>	<u>3,477,217</u>	<u>6,027,696</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,712,230</u>	<u>\$ 4,124,088</u>	<u>\$ 6,836,318</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Water Utility	Sewer Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Loss	\$ 288,538	\$ 593,336	\$ 881,874
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Depreciation	231,832	301,278	533,110
Allocated Depreciation	20,108	-	20,108
Effects of Changes in Operating Assets and Liabilities:			
Receivables	110,723	(36,142)	74,581
Inventories	-	-	-
Deferred Outflows	(46,034)	(46,034)	(92,068)
Pension Asset	(20,314)	(20,314)	(40,628)
Accounts Payable and Other Current Liabilities	28,036	(48,326)	(20,290)
Due to Other Funds	(178,091)	(154,510)	(332,601)
Deferred Inflows	-	-	-
Deferred Inflows	47,903	47,903	95,806
Net Cash Provided (Used) by Operating Activities	\$ 482,701	\$ 637,191	\$ 1,119,892
 CASH AND CASH EQUIVALENTS AT DECEMBER 31 ARE RECONCILED FROM THE BALANCE SHEET AS FOLLOWS:			
Cash and Cash Equivalents	\$ 2,712,230	\$ 4,124,088	\$ 6,836,318
Restricted Cash and Cash Equivalents	-	-	-
Total Cash and Cash Equivalents	\$ 2,712,230	\$ 4,124,088	\$ 6,836,318

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HARRISON, WISCONSIN
STATEMENT FIDUCIARY NET POSITION – CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

ASSETS

Cash and Investments	\$ 5,967,551
Receivables:	
Taxes and Special Charges	<u>10,562,538</u>
Total Assets	<u>16,530,089</u>

LIABILITIES

Due to Other Governments	<u>-</u>
Total Liabilities	-

DEFERRED INFLOWS OF RESOURCES

Property Taxes Levied for Subsequent Year	<u>16,530,089</u>
Total Deferred Inflows of Resources	<u>16,530,089</u>

NET POSITION - RESTRICTED

	<u><u>\$ -</u></u>
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See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HARRISON, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS
DECEMBER 31, 2022**

ADDITIONS		
Tax collections		\$ 16,530,089
Total Additions		<u>16,530,089</u>
DEDUCTIONS		
Total Deductions		<u>16,530,089</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, 2022**

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, 2022**

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.

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

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.

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.

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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.

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.

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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. 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.

5. 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" in the fund financial statements.

6. 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.

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

7. 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. The Village reports unavailable revenues for special assessments. These inflows are recognized as revenues in the government-wide financial statements.

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. 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.

9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. 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.

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Fund Equity (Continued)

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.

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.

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.

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Changes in Accounting Policies

The Village adopted Statement of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, as of January 1, 2022. Implementation of this standard did not have a material impact on these financial statements.

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 No. 1 and Tax Incremental District No. 2. 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.

B. Excess of Expenditures Over Budget Appropriations

The Village's total General Fund expenditures for the year ended December 31, 2022 exceeded budget by \$27,849.

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

C. Deficit Fund Equity

The following funds had a deficit fund balance as of December 31, 2022:

		Deficit Fund Balance
Fund:		
Debt Service	\$	(236,169)
TIF District No. 3		(4,560)
TIF District No. 4		(3,077)
TIF District No. 5		(583,357)
Total	\$	(243,806)

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

D. 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 2022 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 \$29,424,821 December 31, 2022 as summarized below:

Petty Cash and Cash on Hand	\$	406
Deposits with Financial Institutions		29,175,419
Investments:		
Wisconsin Local Government Investment Pool		248,996
Total	\$	29,424,821

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 \$400,000 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, 2022, \$27,317,064 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

The Village has investments in the Wisconsin local government investment pool of \$248,996 at December 31, 2022. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2022, the fair value of the Village's share of the LGIP's assets was substantially equal to the 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 74 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, 2022**

NOTE 4 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,981,823	\$ 583,357	\$ -	\$ 2,565,180
Construction in Progress	2,879,589	2,036,184	4,784,387	131,386
Total Capital Assets, Not Being Depreciated	4,861,412	2,619,541	4,784,387	2,696,566
Capital Assets, Being Depreciated:				
Land Improvements	2,329,170	935,834	-	3,265,004
Buildings and Improvements	2,663,376	10,123	-	2,673,499
Machinery and Equipment	6,244,567	689,836	-	6,934,403
Infrastructure	12,322,770	5,227,642	-	17,550,412
Subtotals	23,559,883	6,863,435	-	30,423,318
Less Accumulated Depreciation for:				
Land Improvements	607,435	89,390	-	696,825
Buildings and Improvements	1,165,448	62,604	-	1,228,052
Machinery and Equipment	4,040,691	282,819	-	4,323,510
Infrastructure	3,411,882	496,237	-	3,908,119
Subtotals	9,225,456	931,050	-	10,156,506
Total Capital Assets, Being Depreciated, Net	14,334,427	5,932,385	-	20,266,812
Governmental Activities Capital Assets, Net	\$ 19,195,839	\$ 8,551,926	\$ 4,784,387	22,963,378
Less: Capital Related Debt				(3,940,000)
Add: Unspent Bond Proceeds				2,686,208
Net Investment in Capital Assets				<u>\$ 21,709,586</u>

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

Governmental Activities:	
General Government	\$ 48,045
Public Safety	109,271
Public Works	702,500
Culture and Recreation	71,234
Total Depreciation Expense - Governmental Activities	<u>\$ 931,050</u>

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Water Utility

Capital Assets, Not Being Depreciated:				
Land	\$ 70,720	\$ -	\$ -	\$ 70,720
Construction in Progress	-	-	-	-
Total Capital Assets, Not Being Depreciated	4,861,412	-	-	70,720
Capital Assets, Being Depreciated:				
Transmission and Distribution	6,583,739	193,932		6,777,671
Service Connections	1,623,423	33,326		1,656,749
Meters	726,475	91,033	12,500	805,008
Hydrants	1,141,250	20,571		1,161,821
Misc Structure and Improv.	699,835	-		699,835
Office Furniture and Equip.	61,208	-		61,208
Computers	40,625	149		40,774
Transportation	92,177	-		92,177
Other General Plant	32,167	931		33,098
Subtotals	11,000,899	339,942	12,500	11,328,341
Less Accumulated Depreciation for:				
Transmission and Distribution	1,363,640	86,849		1,450,489
Service Connections	655,093	47,562		702,655
Meters	315,368	42,116	12,500	344,984
Hydrants	370,192	25,334		395,526
Misc Structure and Improv.	284,788	21,345		306,133
Office Furniture and Equip.	61,207	3,550		64,757
Computers	37,736	10,847		48,583
Transportation	73,301	12,260		85,561
Other General Plant	33,817	2,078		35,895
Subtotals	3,195,142	251,940	12,500	3,434,582
Total Capital Assets, Being Depreciated, Net	14,334,427	88,002	-	7,893,759
Water Utility Capital Assets, Net	\$ 19,195,839	\$ 88,002	\$ -	7,964,479
Less: Capital related debt				-
Net Investment in Capital Assets				\$ 7,964,479

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Sewer Utility

Capital Assets, Not Being Depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	41,585	-	41,585
Total Capital Assets, Not Being Depreciated	4,861,412	41,585	-	41,585
Capital Assets, Being Depreciated:				
Service Connections	1,429,501			1,429,501
Collecting Mains	9,200,153			9,200,153
Force mains	1,529,258			1,529,258
Electrical Pumping Equipment	-	8,325		8,325
Lift Stations	1,898,413			1,898,413
Misc. Structure and improvements	405,988			405,988
Office furniture and equipment	106,258			106,258
Transportation equipment	92,177			92,177
Other General Plant	58,021	931		58,952
Subtotals	23,559,883	931	-	14,729,025
Less Accumulated Depreciation for:				
Service Connections	546,859	18,584		565,443
Collecting Mains	2,095,534	174,803		2,270,337
Force mains	356,964	29,056		386,020
Electrical Pumping Equipment		416		416
Lift Stations	448,845	37,968		486,813
Misc. Structure and improvements	189,993	10,150		200,143
Office furniture and equipment	102,740	10,626		113,366
Transportation equipment	87,400	13,827		101,227
Other General Plant	58,021	5,849		63,870
Subtotals	9,225,456	40,451	-	4,187,634
Total Capital Assets, Being Depreciated, Net	14,334,427	(39,520)	-	10,541,391
Governmental Activities Capital Assets, Net	<u>\$ 19,195,839</u>	<u>\$ 2,065</u>	<u>\$ -</u>	10,582,976
Less: Capital Related Debt				-
Net Investment in Capital Assets				<u>\$ 10,582,976</u>

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022 are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating		
Cash Deficits:		
Governmental Funds:		
General Fund	\$ 583,357	\$ -
TIF District No. 5	-	583,357
Total	\$ 583,357	\$ 583,357

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, 2022:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt					
Direct Placements:					
Notes	\$ 3,580,000	\$ 2,905,000	\$ 995,000	\$ 5,490,000	\$ 830,000
State Trust Fund Loans	-	-	-	-	-
Governmental Activities Long-Term Obligations	\$ 3,580,000	\$ 2,905,000	\$ 995,000	\$ 5,490,000	\$ 830,000
Business-Type Activities:					
General Obligation Debt					
Direct Placements:					
Clean Water Fund Loans (1)	\$ 521,434	-	\$ 41,459	\$ 479,975	\$ 42,556
Governmental Activities Long-Term Obligations	\$ 521,434	-	\$ 41,459	\$ 479,975	\$ 42,556

Interest paid during the year on long-term debt totaled \$81,794.

- (1) The proceeds of the Village of Harrison Sewer Utility's 2013 Sewer Clean Water Fund Loan were paid 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. 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, 2022**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>
General Obligation Notes	2/13/13	5/1/32		\$ 816,856	\$ 479,975
General Obligation Notes	11/17/20	3/1/30	4%	1,425,000	1,275,000
General Obligation Notes	11/17/20	3/1/35	2%	1,880,000	1,550,000
General Obligation Notes	12/31/21	6/30/22	4%	500,000	-
General obligation notes	3/31/22	9/1/32	2%	-	1,065,000
General obligation notes	11/15/22	9/1/32	4-5%	-	1,600,000
Total Outstanding					<u>1,600,000</u>
General Obligation Debt					<u>\$ 5,969,975</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$3,580,000 on December 31, 2022 are detailed below:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 872,556	\$ 120,148	\$ 992,704
2024	513,682	115,076	628,758
2025	529,838	103,230	633,068
2026	541,024	90,828	631,852
2027	557,242	77,469	634,711
2028 - 2032	2,605,633	187,573	2,793,206
2032 - 2035	350,000	10,600	360,600
Total	<u>\$ 5,969,975</u>	<u>\$ 704,924</u>	<u>\$ 6,674,899</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2022 was \$74,892,220 as follows:

Equalized Valuation of the Village	\$ 1,617,243,900
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	80,862,195
Total Outstanding General Obligation Debt	
Applicable to Debt Limitation	<u>5,969,975</u>
Legal Margin for New Debt	<u>\$ 74,892,220</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, 2022**

NOTE 7 PENSION PLAN

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>.

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.

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, 2022**

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:

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 %

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers)	6.50 %	6.50 %
Protective with Social Security	6.50 %	12.00 %

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, 2022, the WRS recognized \$72,184 in contributions from the Village.

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 PENSION PLAN (CONTINUED)

Contribution rates as of December 31, 2022 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers)	6.50 %	6.50 %
Protective with Social Security	6.50 %	12.00 %
Protective without Social Security	6.50 %	16.40 %

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

At December 31, 2022, the Village reported an asset of \$433,061 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021.

No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the Village's proportion was 0.00693660%, which was an increase of 0.00103781% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Village recognized pension credit of \$48,330.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 889,857	\$ 64,168
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	1,232,280
Changes in Assumptions	102,767	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	6,756	2,489
Employer Contributions Subsequent to the Measurement Date	91,777	-
Total	<u>\$ 1,091,157</u>	<u>\$ 1,298,937</u>

\$91,777 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, 2023.

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 PENSION PLAN (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>		
2023	\$	(23,067)
2024		(147,624)
2025		(65,407)
2026		(63,456)
Total	<u>\$</u>	<u>(299,554)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Postretirement Adjustments*	1.9%

Special Revenue Funds:		
Restricted for:		
Park Improvements	\$	1,086,619

** No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2019 that covered a three-year period from January 1, 2016 to December 31, 2018. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 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, 2022**

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>Expected Nominal Rate of Return %</u>	<u>Expected Real Rate of Return %</u>
Core Fund Asset Class:			
Global Equities	48.0 %	7.6 %	5.0 %
Fixed Income	25.0	5.3	2.7
Inflation Sensitive Assets	19.0	3.6	1.1
Real Estate	8.0	5.2	2.6
Private Equity/Debt	15.0	9.6	6.9
Total Core Fund	<u>115.0 %</u>	7.4	4.8
Variable Fund Asset Class:			
U.S. Equities	70.0 %	7.2	4.6
International Equities	30.0	8.1	5.5
Total Variable Fund	<u>100.0 %</u>	7.7	5.1

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%

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

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (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, 2020. 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 7.00% expected rate of return implies that a dividend of approximately 1.9% 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.

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 December 31, 2022 calculated using the discount rate of 7.0%, 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 one-percentage-point lower (6.0%) or one-percentage-point higher (8.0%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate 6.80%	1% Increase to Discount Rate (7.80%)
Village's Proportionate Share of the Net Pension Liability (Asset)	\$ 390,861	\$ (550,842)	\$ (1,228,694)

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

At December 31, 2022, the Village reported a payable of \$33,829 for the outstanding amount of contributions to the pension plan.

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, 2022, restricted fund balance was as follows:

Special Revenue Funds:	
Restricted for:	
Park Improvements	\$ 1,086,619
Law Enforcement Impact	85,491
Fire Department Impact	725,216
Fire Department	-
Total Special Revenue Fund Restricted Fund Balance	1,897,326
Capital Project Funds:	
Restricted for:	
Tax Incremental District 1	449,638
Capital Projects	2,686,208
Total Capital Project Funds	3,135,846
Total Restricted Fund Balance	\$ 5,033,172

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 FUND EQUITY (CONTINUED)

Net Position

The Village reports restricted net position at December 31, 2022 as follows:

Governmental Activities:

Restricted for:

Park Improvements	\$	1,086,619
Law Enforcement Impact		85,491
Fire Department Impact		725,216
Fire Department		-
Capital Projects		449,638
Pension Asset		510,213
Total Restricted Net Position	\$	2,857,177

Business-Type Activities:

Restricted for:

Pension Asset		40,628
Total Restricted Net Position	\$	40,628

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.

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 OTHER INFORMATION (CONTINUED)

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 2022 in accordance with this agreement.

E. Restatement

The Village has restated beginning net position of the Water Utility and Business-Type Activities as follows:

	<u>Water Utility</u>	<u>Business-Type Activities</u>	<u>General Fund</u>	<u>Governmental Activities</u>
Net position, as of December 31, 2021 as previously reported	\$ 10,069,490	\$ 24,226,722	\$ 7,307,682	\$ 25,273,892
Public fire protection receivable	135,406	135,406		
Accrued payment in lieu of taxes	(282,765)	(282,765)	282,765	282,765
Net position, as of January 1, 2022 as restated	\$ 9,922,131	\$ 24,079,363	\$ 7,590,447	\$ 25,556,657

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

<u>Plan Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (Plan Year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
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	0.00006834	(550,842)	1,069,387	0.52	1.06

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF HARRISON, WISCONSIN
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	7%

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF HARRISON, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

NOTE 1

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

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

**VILLAGE OF HARRISON, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Special Revenue					Capital Projects					Total
	Park Impact Fees Fund	Law Enforcement Impact Fees	Fire Department Impact Fees	Fire Department	ARPA	Tax Incremental District No. 1	Tax Incremental District No. 2	Tax Incremental District No. 3	Tax Incremental District No. 4	Tax Incremental District No. 5	
ASSETS											
Cash and Investments	\$ 1,086,619	\$ 85,491	\$ 725,216	\$ -	\$ 997,781	\$ 791,665	\$ 228,069	\$ 41,805	\$ 93,697	\$ -	\$ 4,050,343
Receivables:											
Taxes and Special Charges	-	-	-	-	-	605,385	80,745	82,067	171,289	-	939,486
Assets held for sale										-	-
Total Assets	<u>\$ 1,086,619</u>	<u>\$ 85,491</u>	<u>\$ 725,216</u>	<u>\$ -</u>	<u>\$ 997,781</u>	<u>\$ 1,397,050</u>	<u>\$ 308,814</u>	<u>\$ 123,872</u>	<u>\$ 264,986</u>	<u>\$ -</u>	<u>\$ 4,989,829</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES											
LIABILITIES											
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 21,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,395
Unearned revenue	-	-	-	-	976,386	-	-	-	-	-	976,386
Due to Other Funds	-	-	-	-	-	-	-	-	-	583,357	583,357
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>997,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>583,357</u>	<u>1,581,138</u>
DEFERRED INFLOWS OF RESOURCES											
Property Taxes Levied for Subsequent Year	-	-	-	-	-	947,412	126,364	128,432	268,063	-	1,470,271
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>947,412</u>	<u>126,364</u>	<u>128,432</u>	<u>268,063</u>	<u>-</u>	<u>1,470,271</u>
FUND BALANCES											
Restricted	1,086,619	85,491	725,216	-	-	449,638	-	-	-	-	2,346,964
Unassigned	-	-	-	-	-	-	182,450	(4,560)	(3,077)	(583,357)	(408,544)
Total Fund Balances	<u>1,086,619</u>	<u>85,491</u>	<u>725,216</u>	<u>-</u>	<u>-</u>	<u>449,638</u>	<u>182,450</u>	<u>(4,560)</u>	<u>(3,077)</u>	<u>(583,357)</u>	<u>1,938,420</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,086,619</u>	<u>\$ 85,491</u>	<u>\$ 725,216</u>	<u>\$ -</u>	<u>\$ 997,781</u>	<u>\$ 1,397,050</u>	<u>\$ 308,814</u>	<u>\$ 123,872</u>	<u>\$ 264,986</u>	<u>\$ -</u>	<u>\$ 4,989,829</u>

**VILLAGE OF HARRISON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Special Revenue					Capital Projects					Total
	Park Impact Impact Fees	ARPA Grant	Law	Fire	Fire Department	Tax	Tax	Tax	Tax	Tax	
			Enforcement Impact Fees	Department Impact Fees		Incremental District No. 1	Incremental District No. 2	Incremental District No. 3	Incremental District No. 4	Incremental District No. 5	
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 599,626	\$ 177,824	\$ 16,008	\$ -	\$ -	\$ 793,458
Intergovernmental	-	317,108	-	-	-	-	-	-	-	-	317,108
Licenses and Permits	180,044	-	24,901	210,858	-	-	-	-	-	-	415,803
Public Charges for Service	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	180,044	317,108	24,901	210,858	-	599,626	177,824	16,008	-	-	1,526,369
EXPENDITURES											
Current:											
General Government	-	317,108	-	-	-	-	-	-	-	-	317,108
Public Safety	-	-	-	-	8	-	-	-	-	-	8
Conservation and Development	-	-	-	-	-	490,417	3,246	17,708	150	-	511,521
Debt Service:											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	2,431	-	-	-	-	-	-	-	-	583,357	585,788
Total Expenditures	2,431	317,108	-	-	8	490,417	3,246	17,708	150	583,357	1,414,425
OTHER FINANCING SOURCES											
Transfer in	-	-	-	-	-	-	9,172	-	-	-	9,172
Transfer out	-	-	-	-	-	(192,322)	-	-	-	-	(192,322)
Long-Term Debt Issued	-	-	-	-	-	-	-	-	-	-	-
Premium on Long-Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-	(192,322)	9,172	-	-	-	(183,150)
NET CHANGE IN FUND BALANCES	177,613	-	24,901	210,858	(8)	(83,113)	183,750	(1,700)	(150)	(583,357)	(71,206)
Fund Balances - Beginning of Year	909,006	-	60,590	514,358	8	532,751	(1,300)	(2,860)	(2,927)	-	2,009,626
FUND BALANCES - END OF YEAR	\$ 1,086,619	\$ -	\$ 85,491	\$ 725,216	\$ -	\$ 449,638	\$ 182,450	\$ (4,560)	\$ (3,077)	\$ (583,357)	\$ 1,938,420



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