

# **VILLAGE OF HARTLAND**

Hartland, Wisconsin

## **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2023

# VILLAGE OF HARTLAND

## TABLE OF CONTENTS As of and for the Year Ended December 31, 2023

---

	<u>Page</u>
Independent Auditors' Report	1 – 2
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Management's Discussion and Analysis	3 – 15
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17 – 18
Fund Financial Statements	
Balance Sheet – Governmental Funds	19 – 20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22 – 23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Net Position – Proprietary Funds	25 – 26
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	27
Statement of Cash Flows – Proprietary Funds	28 – 29
Statement of Fiduciary Net Position – Fiduciary Fund	30
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	31
Index to Notes to Financial Statements	32
Notes to the Financial Statements	33 – 79

# VILLAGE OF HARTLAND

## TABLE OF CONTENTS As of and for the Year Ended December 31, 2023

---

	<u>Page</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP) – General Fund	80
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – TIF #4 Fund	81
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – TIF #5 Fund	82
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – TIF #6 Fund	83
Schedule of Proportionate Share of the Net Pension Liability (Asset) – Wisconsin Retirement System	84
Schedule of Employer Contributions Pension – Wisconsin Retirement System	84
Schedule of Proportionate Share of the Net OPEB Liability – Local Retiree Life Insurance Fund	85
Schedule of Employer Contributions OPEB – Local Retiree Life Insurance Fund	85
Schedule of Changes in the Village’s Total OPEB Liability and Related Ratios	86
Schedule of Village’s OPEB Contributions	87
Notes to Required Supplementary Information	88 – 89
<b>SUPPLEMENTARY INFORMATION</b>	
Nonmajor Governmental Funds – Combining Balance Sheet	90 – 91
Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	92 – 93
Statement of Cash Flows – Component Unit	94
Summary of Governmental Activities Long-Term Debt	95
Comparative Schedule of Taxes and Valuation Data	96

## Independent Auditors' Report

To the Village Board of  
Village of Hartland

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Hartland (the Village), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village as of December 31, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Baker Tilly US, LLP*

Milwaukee, Wisconsin  
May 28, 2024

*Village of Hartland*  
**2023 Management's Discussion and Analysis**  
(Unaudited)

The management of the Village of Hartland offers this narrative overview and analysis of the Village of Hartland's financial activities for the fiscal year ended December 31, 2023. Readers of these financial statements are encouraged to consider the information presented here in conjunction with the additional information presented on the following pages.

The Village of Hartland is a community of approximately 9,500 residents located in Waukesha County, Wisconsin about 20 miles west of Milwaukee. The Village of Hartland has benefited from this location. There is easy access to major transportation routes and many residents commute to work in Waukesha, Milwaukee, Madison and other surrounding communities. Additionally, the ease of access provides opportunities for local businesses by providing quick and simple transportation for inbound and outbound goods and products.

The Village of Hartland is a progressive community with a commitment to maintaining assets through an aggressive capital projects program.

### *Overview of the Financial Statements*

The information in this discussion and analysis is intended to serve as an introduction to the Village of Hartland's basic financial statements. The Village of Hartland's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### *Financial Highlights*

- ❖ The assets and deferred outflows of resources of the Village of Hartland exceeded its liabilities and deferred inflows of resources at the close of 2023 by \$47,603,102 (net position). Of this amount, \$17,726,940 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors. Nearly all of the remaining balance of the net position (\$28,893,694) represents assets of the Village like roads, utility lines and buildings, net of any related debt. Shown on page 16 of this report.
- ❖ The total net position of the Village described on page 16 and elsewhere in these statements is impacted by liabilities, deferred inflows and deferred outflows related to pension despite the fact that pension for Village employees is provided through the State of Wisconsin Employee Trust Fund; the State's pension plan. Under governmental reporting requirements, the Village must show information related to the Village's portion of the overall State pension plan in order to demonstrate how well-funded the entire pension plan is based on actuarial assessments at a point in time. In 2023, the Trust Fund has less assets than actuarially necessary and, therefore, the Village of Hartland has a net pension liability of \$1,583,407. It does not necessarily represent an asset or liability of the Village.
- ❖ As shown on pages 17 and 18 of this report, the Village of Hartland's total net position increased by \$728,899 from \$46,874,203 in 2022 to \$47,603,102 in 2023. The funds comprising Governmental Activities realized a \$56,170 increase in net position. The funds comprising Business-type Activities realized a \$672,729 increase in net position. All governmental funds, major and non-major, except three (TIF #4, TIF #6, and TIF #7 which are shown individually on page 19) had a positive fund balance.
- ❖ As of the close of 2023, the Village of Hartland's governmental fund balance, which includes all activities of the Village except the Water and Sewer Utilities, reported combined ending funding balances of \$13,420,542. This is an increase of \$1,537,029 in comparison with the

# Village of Hartland

## 2023 Management's Discussion and Analysis (cont.) (Unaudited)

prior year's balance of \$11,883,513. The increase was primarily due to borrowing for capital projects for the 2024 and 2025 capital projects. Shown on pages 19 to 24 of this report.

- ❖ Of the Village's \$13,420,542 fund balance, 37% (\$4,919,763) of the fund balance is restricted or committed by the Village or statutes to be spent for specific purposes. Another 25% (\$3,392,803) is assigned by the Village for specific purposes. An additional 10% (\$1,386,577) of fund balance is considered nonspendable as it relates to non-current receivables. Shown on pages 19 and 20 of this report.
- ❖ The remaining twenty-eight percent (28%), or \$3,721,399, of the Village's governmental fund balance is considered unassigned and is available for spending at the Village's discretion. The amount available is currently being offset, or reduced, by obligations in TIF Districts #4, #6 and #7 in the amount of \$1,382,482. Shown on pages 19 and 20 of this report.
- ❖ The General Fund unassigned fund balance totals \$5,103,881. This is equal to 58.6% of the operating budget for the general fund revenues. This amount has been allowed to grow so that it may be used to mitigate potential sudden negative impacts that may be experienced from time to time or to address singular unforeseen needs. Shown on pages 19 and 20 of this report.
- ❖ The Village of Hartland's total debt related to governmental activities had principal payments of \$1,465,000 during 2023. Total general obligation debt for the business-type activities had principal payments of \$270,000. Debt is shown on page 22 for Village debt payments and page 26 for Water and Sewer Utility outstanding balances. Long term obligation (debt) payment information is also contained on pages 54 through 57 of this report.

### *Government-wide Financial Statements*

The **government-wide financial statements** are designed to provide a broad overview of the Village of Hartland's finances in a manner similar to private sector business. The government-wide financial statements can be found on pages 16 through 18 of this report.

The **statement of net position** (Page 16) presents information on all of the Village of Hartland's assets and deferred outflows of resources less liabilities and deferred inflows of resources, with the difference between these reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Hartland is improving or deteriorating. In the last several years (2018 – 2023), these figures have remained relatively steady.

The **statement of activities** (Pages 17 and 18) presents information showing how the Village of Hartland's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes, earned but unused vacation leave, and earned but unused comp time).

Both of the government-wide financial statements distinguish functions of the Village of Hartland that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village of Hartland include general government, public safety, public works, environmental services, cemetery, library, parks and recreation. The governmental activities of the Village also include the Hartland Business Improvement District, which is a component unit of the Village. In 2007, the Hartland Business Improvement District (BID) was created by the Village of Hartland at the request of property and business owners in Village Center to provide focused services and economic assistance in the

# Village of Hartland

## 2023 Management's Discussion and Analysis (cont.) (Unaudited)

downtown consistent with state statutes. The Village assists by managing the BID's revenues, expenses and audit process via a separate fund. The business type activities of the Village of Hartland include the Water Utility and the Sewer Utility.

In the government-wide financial statements the Village of Hartland is known as the **primary government**. The Water Utility and the Sewer Utility are designated as **business activities**. Although legally separate, they function for all practical purposes as departments of the Village of Hartland and have been included as an integral part of this financial statement.

### *Fund Financial Statements*

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Hartland, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Hartland can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds – pages 19 to 24.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so the readers may better understand the long term impact of the Village of Hartland's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village of Hartland maintains fourteen individual governmental funds. These funds include: General Fund, Capital Projects, Corporate Reserve, Debt Service, Refuse, TIF #4, TIF #5, TIF #6, TIF #7, Special Library, Impact Fee, ARPA, MIU and Developers. The Village of Hartland participates in and manages the account for the Major Investigations Unit (MIU) Fund. MIU is a mutual agreement police operations among area police departments pursuant to Wisconsin Statutes §66.30, §66.305 and §66.315. MIU is funded by budgeted transfers from participating jurisdictions and the finances of the MIU are managed by the Village of Hartland. The expenses are what is necessary to operate the team and is a function of the number of times they are called and the type of training they need.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, TIF #4 fund, TIF #5 fund, TIF #6 fund, TIF #7 Fund, debt service fund, Village projects fund and corporate reserve fund. All of these funds are considered to be major funds. Individual fund data for the nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Village of Hartland adopts an annual appropriated budget for all major funds and all nonmajor funds as required by state statute except for ARPA special revenue fund and TIF #7 special revenue fund. Budgetary comparison statements have been provided for the general fund, TIF #4 special revenue fund, TIF #5 special revenue fund and the TIF #6 special revenue fund as part of the required supplementary information on pages 80 to 83.

# Village of Hartland

## 2023 Management's Discussion and Analysis (cont.) (Unaudited)

**Proprietary funds – pages 25 to 29.** The Village of Hartland maintains three *Proprietary funds*. Proprietary funds are used to report *business-type activities* in the government-wide financial statements. The Village of Hartland uses enterprise funds (a type of proprietary fund) to account for its Water Utility and Sewer Utility.

The Village of Hartland also maintains an internal service fund (a second type of proprietary fund) to account for dental self-insurance activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on the Water Utility and the Sewer Utility, both of which are considered to be major funds of the Village of Hartland.

**Custodial funds – pages 30 and 31.** Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Village of Hartland's own programs. The custodial fund maintained by the Village of Hartland is the Trust and Custodial Fund which records the tax roll and tax collections made by the Village for other taxing jurisdictions within the Village of Hartland. The accounting used for custodial funds is much like that used for governmental funds.

**Notes to the financial statements – pages 33 to 79.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information – pages 90 to 96.** The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In recent years, the net position of the Village has increased and decreased annually based on the particulars of a given fiscal year. In the last five years, the total assets/net position of the Village has increased by 12.1% (\$5,151,905) to \$47,603,102. A majority of this difference is from the GASB 75 implementation related to accounting for certain retiree benefits and debt borrowings.

In the case of the Village of Hartland, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$47,603,102 at the close of 2023. By far, the largest portion of the Village of Hartland's net position (61%) is found in net investment of capital assets which is capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Village of Hartland uses these capital assets to provide services to citizens; consequently, these **assets are not available** for future spending. Although the Village of Hartland's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves generally cannot be used to liquidate these liabilities.

Following is a chart of the net position of the Village of Hartland. We are presenting the financial statements in this reporting model with a comparison to the prior year.

*Village of Hartland*

**2023 Management's Discussion and Analysis (cont.)  
(Unaudited)**

<b>VILLAGE OF HARTLAND NET POSITION</b>						
	<i>Governmental Activities</i>		<i>Business Type Activities</i>		<i>Total</i>	
	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>						
Current and other assets	\$ 24,749,641	\$ 24,844,855	\$ 8,978,008	\$ 8,555,490	\$ 33,727,649	\$ 33,400,345
Capital Assets	<u>29,704,823</u>	<u>28,907,142</u>	<u>17,694,909</u>	<u>18,271,298</u>	<u>47,399,732</u>	<u>47,178,440</u>
<b>TOTAL ASSETS</b>	<u>54,454,464</u>	<u>53,751,997</u>	<u>26,672,917</u>	<u>26,826,788</u>	<u>81,127,381</u>	<u>80,578,785</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflow related to pensions	5,290,049	4,213,567	636,868	454,282	5,926,917	4,667,849
Deferred outflow related to OPEB	<u>277,025</u>	<u>341,342</u>	<u>39,220</u>	<u>49,041</u>	<u>316,245</u>	<u>390,383</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>5,567,074</u>	<u>4,554,909</u>	<u>676,088</u>	<u>503,323</u>	<u>6,243,162</u>	<u>5,058,232</u>
<b>LIABILITIES</b>						
Long-term liabilities outstanding	22,255,458	19,168,275	2,664,960	3,139,917	24,920,418	22,308,192
Current and other liabilities	<u>1,586,836</u>	<u>609,378</u>	<u>246,397</u>	<u>284,060</u>	<u>1,833,233</u>	<u>893,438</u>
<b>TOTAL LIABILITIES</b>	<u>23,842,294</u>	<u>19,777,653</u>	<u>2,911,357</u>	<u>3,423,977</u>	<u>26,753,651</u>	<u>23,201,630</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unearned revenue	7,892,691	8,524,676	-	-	7,892,691	8,524,676
Deferred inflow related to leases	1,563,226	1,336,819	-	-	1,563,226	1,336,819
Deferred inflows related to pensions	2,966,121	5,109,768	356,008	523,509	3,322,129	5,633,277
Deferred inflows related to OPEB	<u>195,794</u>	<u>52,748</u>	<u>39,950</u>	<u>13,664</u>	<u>235,744</u>	<u>66,412</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>12,617,832</u>	<u>15,024,011</u>	<u>395,958</u>	<u>537,173</u>	<u>13,013,790</u>	<u>15,561,184</u>
<b>NET POSITION</b>						
Net investment in capital assets	13,546,635	14,139,493	15,347,059	15,640,607	28,893,694	29,780,100
Restricted	982,468	3,159,866	-	205,813	982,468	3,365,679
Unrestricted	<u>9,032,309</u>	<u>6,205,883</u>	<u>8,694,631</u>	<u>7,522,541</u>	<u>17,726,940</u>	<u>13,728,424</u>
<b>TOTAL NET POSITION</b>	<u>\$ 23,561,412</u>	<u>\$ 23,505,242</u>	<u>\$ 24,041,690</u>	<u>\$ 23,368,961</u>	<u>\$ 47,603,102</u>	<u>\$ 46,874,203</u>

# Village of Hartland

## 2023 Management's Discussion and Analysis (cont.) (Unaudited)

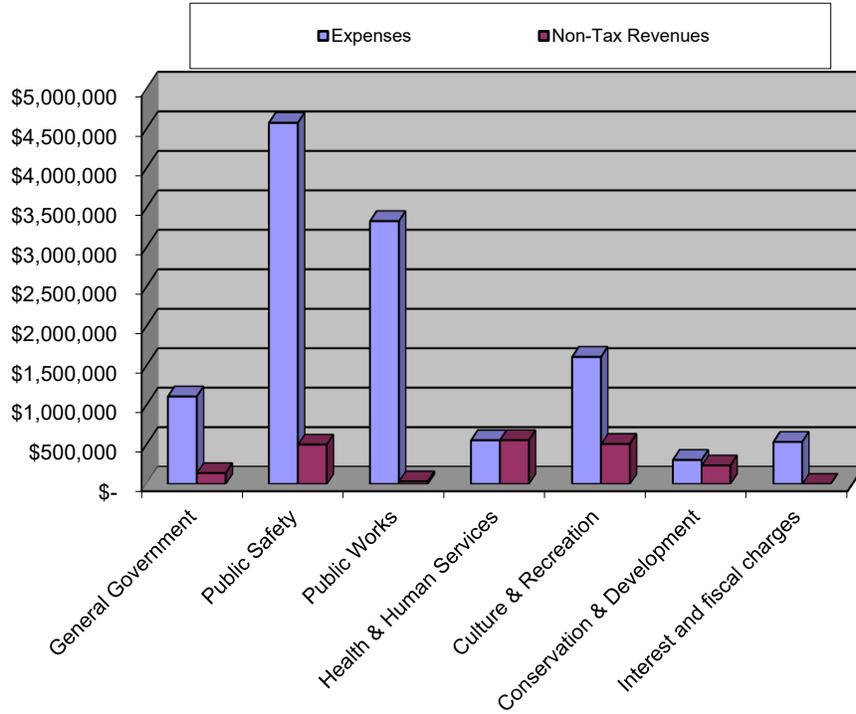
Following is a chart of the net position of the Village of Hartland. We are presenting the financial statements in this reporting model with a comparison to the prior year.

VILLAGE OF HARTLAND'S CHANGES IN NET POSITION								
For the year ending December 31								
	Governmental Activities		Business Type Activity - Water Utility		Business Type Activity - Sewer Utility		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Revenues</b>								
<i>Program Revenues</i>								
Charges for services	\$ 1,960,862	\$ 1,966,474	\$ 1,986,125	\$ 1,894,780	\$ 2,151,007	\$ 2,160,541	\$ 6,097,994	\$ 6,021,795
Operating grants and contributions	1,250,514	1,099,470	-	-	-	-	1,250,514	1,099,470
Capital grants and contributions	-	335,211	-	46,576	-	60,776	-	442,563
<i>General Revenues</i>								
Property taxes	6,981,755	6,770,836	-	-	-	-	6,981,755	6,770,836
Inter governmental revenues not restricted to specific programs	541,541	502,138	-	-	-	-	541,541	502,138
Investment income	793,342	197,061	135,209	31,125	244,099	65,282	1,172,650	293,468
Lease interest income	48,983	44,024	-	-	-	-	48,983	44,024
Miscellaneous	119,545	97,083	-	-	-	-	119,545	97,083
Lease revenue	92,690	87,045	-	-	-	-	92,690	87,045
Gain on disposal of assets	103,521	27,400	-	-	-	-	103,521	27,400
Transfers	169,659	184,250	(164,241)	(178,450)	(5,418)	(5,800)	-	-
<b>Total Revenues</b>	<u>12,062,412</u>	<u>11,310,992</u>	<u>1,957,093</u>	<u>1,794,031</u>	<u>2,389,688</u>	<u>2,280,799</u>	<u>16,409,193</u>	<u>15,385,822</u>
<b>Expenses</b>								
<i>Primary Government</i>								
General government	1,107,380	1,141,061	-	-	-	-	1,107,380	1,141,061
Public safety	4,573,555	3,737,614	-	-	-	-	4,573,555	3,737,614
Public works	3,328,460	2,980,469	-	-	-	-	3,328,460	2,980,469
Health and human services	552,554	450,860	-	-	-	-	552,554	450,860
Culture, education and recreation	1,608,769	1,323,840	-	-	-	-	1,608,769	1,323,840
Conservation and development	303,636	441,623	-	-	-	-	303,636	441,623
Interest and fiscal charges	531,888	466,473	32,038	39,434	25,036	36,006	588,962	541,913
<i>Business Type Activities</i>								
Water Utility	-	-	1,652,685	1,621,738	-	-	1,652,685	1,621,738
Sewer Utility	-	-	-	-	1,964,293	1,957,380	1,964,293	1,957,380
<b>Total Expenses</b>	<u>12,006,242</u>	<u>10,541,940</u>	<u>1,684,723</u>	<u>1,661,172</u>	<u>1,989,329</u>	<u>1,993,386</u>	<u>15,680,294</u>	<u>14,196,498</u>
<b>Change in Net Position</b>	56,170	769,052	272,370	132,859	400,359	287,413	728,899	1,189,324
<b>TOTAL NET POSITION - JAN 1</b>	<u>23,505,242</u>	<u>22,736,190</u>	<u>13,522,608</u>	<u>13,389,749</u>	<u>9,846,353</u>	<u>9,558,940</u>	<u>46,874,203</u>	<u>45,684,879</u>
<b>TOTAL NET POSITION - DEC 31</b>	<u>\$ 23,561,412</u>	<u>\$ 23,505,242</u>	<u>\$ 13,794,978</u>	<u>\$ 13,522,608</u>	<u>\$ 10,246,712</u>	<u>\$ 9,846,353</u>	<u>\$ 47,603,102</u>	<u>\$ 46,874,203</u>

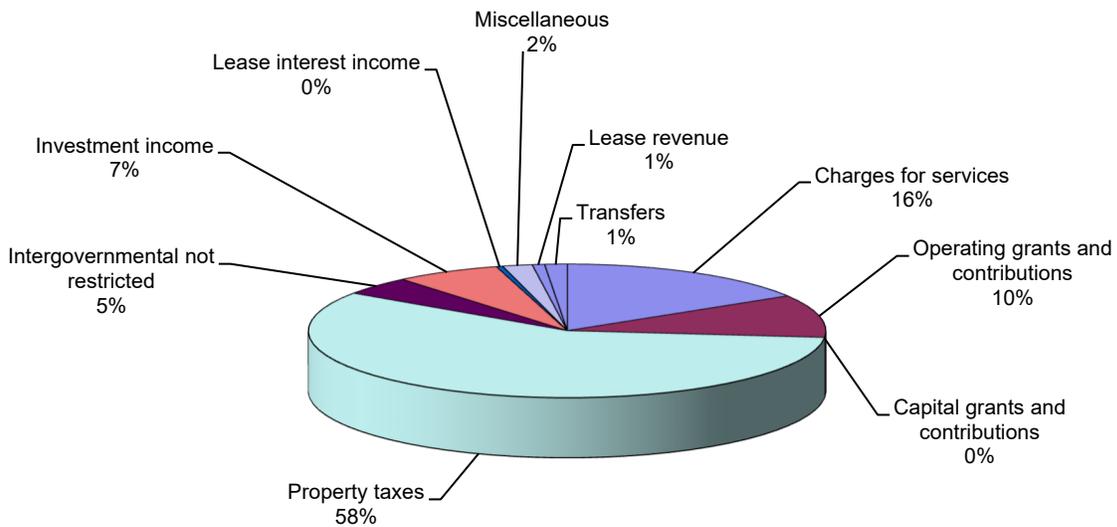
# Village of Hartland

## 2023 Management's Discussion and Analysis (cont.) (Unaudited)

### Expenses & Program Revenues - Governmental Activities



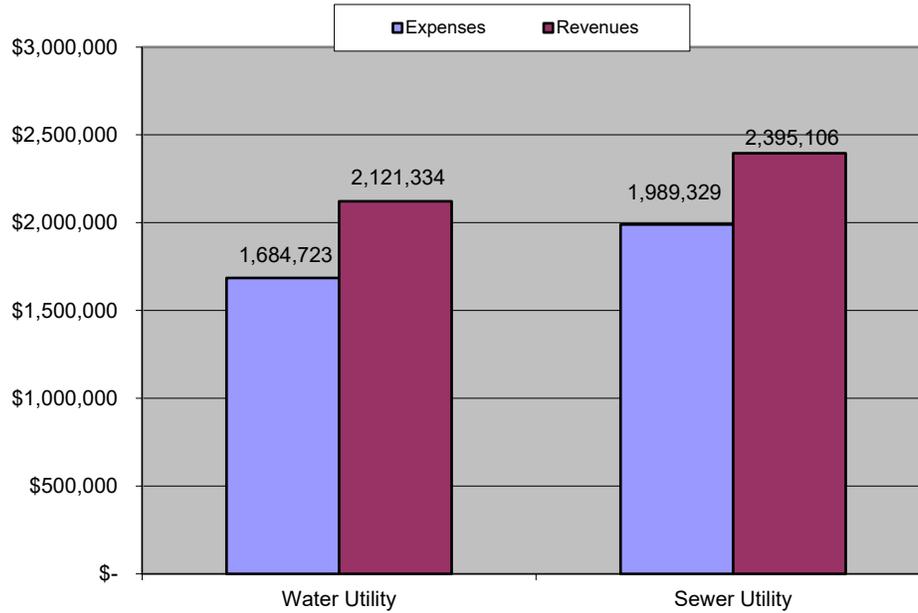
### Program & General Revenues by Source - Governmental Activities



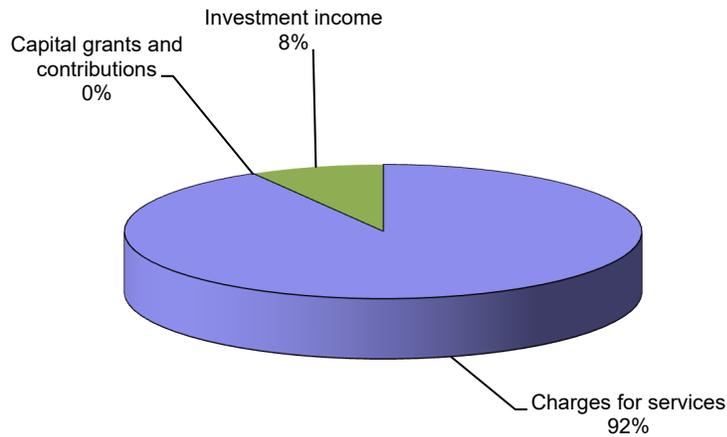
# Village of Hartland

## 2023 Management's Discussion and Analysis (cont.) (Unaudited)

### Expenses & Program Revenues - Business-Type Activities Excluding Transfers



### Revenues by Source - Business-type Activities



# *Village of Hartland*

## **2023 Management's Discussion and Analysis (cont.) (Unaudited)**

### *General Budgetary Highlights*

The general fund budget posted a surplus of revenues and other financing sources over expenditures and other financing uses of \$467,170. The Village of Hartland's 2023 operating budget received 105% of its budgeted revenues and spent 99% of its budgeted expenses. The Village anticipated using general fund cash to fund future corporate reserve purchases and current short term life capital projects.

- Ambulance fees were \$50,255 more than budgeted in 2023.
- Other grants and aids were \$77,181 more than budgeted with more grants received.

On the expenditure side, all departments worked diligently to stay within the annual budget as there was constant monitoring of expenditures throughout the year. There were eight instances where operating expenditures were over budget. The seven areas over budget were General Administration which was over budget by \$87,644 mainly due to increased legal costs; Municipal Building which was over budget by \$1,614 mainly due to increase labor and buildings and grounds repairs; Ambulance, which was over budget \$164,898 due to increased labor; Inspection, which was over budget by \$14,901 due to increased permits; Environmental Services, which was over budget by \$1,497 mainly due to increased landscape plantings in subdivisions and our parks; Parks, which was over budget \$40,170 mainly due to capital outlay; and Recreation, which was over budget by \$170,351 mainly due to increased programming as revenues were over as well. The other operating accounts came in under budget to make our overall expenses approximately 1% below budget.

The Village of Hartland's budget for the proprietary funds is not adopted on a full accrual basis but is accounted for on a full accrual basis; therefore, the budgetary comparisons discussed below compare the actual results on a budgetary basis. In regards to the Village of Hartland's proprietary funds:

- Total revenues for the water utility were at 87% while expenses came in at 76% of budget resulting in a gain as intended. The rate for 2023 has been in effect since December 16, 2020. There will be an 8% rate increase effective December 16, 2023 as part of a simplified rate case. In the past, the use of unrestricted net position had allowed the operation to continue either without a rate increase or only small adjustments. The 2023 simplified rate increase is intended to help the water utility fund and maintain the water system and infrastructure. The Village will review the need for rate adjustments annually.
- Total revenues for the Sewer Utility were 121% of budget and the expenses were at 100% of budget, resulting in a gain. The Sewer Utility budgets to pay \$20,000 annually into an account that has been designated for lift station rehabilitation and replacement. A maintenance schedule has been put in place. At the end of 2023, the balance available for lift station maintenance was \$420,122. The Sewer Utility also has funds set aside for future improvements to the Sewer system for the north and northeast portion of the Village in the amount of \$1,580,316 and \$63,587 for the maintenance and replacement of the Four Winds West Subdivision Lift Station. Residents of that subdivision pay a special fee for the maintenance, operation and future replacement of that lift station, which is separate from the usual and customary rates.
- Management has annually reviewed the sewer rates and determined annual minimal increases are more effective than larger one-time increases. Therefore, a 5% increase per year in the per-thousand-gallon rate to customers was implemented in 2013 and annually thereafter. During the 2024 budget process, the Sewer Utility rate was increased an additional 5% effective December 2023. The financial health of the Sewer Utility will continue to be evaluated on a yearly basis.

# *Village of Hartland*

## **2023 Management's Discussion and Analysis (cont.)** (Unaudited)

TIF District #4, #6 and #7 are showing offsetting revenue (Property Taxes) and the deficits in those districts are reducing and TIF District #5 has positive fund balance and will be closing in 2024 successfully. Expenses in the TIF Districts are considered by the Village to be investments that are expected to be returned by the long term improvement in the property values and the related taxes paid within the districts. TIF #4 and TIF #6 will have minimal expenditures for the remainder of their lives. TIF #7 is just beginning in the old quarry and will have significant growth in the coming years. This TIF is pay-go TIF returning tax increment to the developer with no upfront TIF Village funds.

The interest rates during 2023 increased significantly thus increasing interest income for all funds. The Village has \$5.0 million with a local bank in a CDARS program that is earning around 5% annually. The Village also has another Sweep account with an ending balance of \$20,993,940 and \$1,141,895 in the Local Government Investment Pool. These two accounts are earning around 5.5% interest. The remainder of the Village's balances are in a checking account or various minimal interest funds.

### *Capital Assets*

The infrastructure-related capital assets of the Village of Hartland are managed through a six-year capital improvement plan for both governmental and business-type activities. Projects in the capital improvement plan include the purchase or improvement of land for Village purposes and construction or major improvement to buildings, park facilities, streets, street lighting, tree planting, sidewalks, curb and gutter, storm sewers, sanitary sewer facilities and water facilities. The majority of activities included in the capital improvement plan are generally funded by borrowing for up to three years' worth of projects at a time. The Village of Hartland maintains records related to all of its capital facilities in either our geographical information system (GIS) database or a fixed asset program. The computerization of these records has improved the availability and quality of our records system, which has streamlined the planning process and made it easier to manage these assets.

The Trustees and staff of the Village of Hartland continue to spend a great deal of time working with the Village's financial consultants, Ehlers and Associates, to create and maintain a long-term financial management plan that supports our six-year capital plan for infrastructure improvements.

The Village of Hartland also maintains a Corporate Reserve Fund that funds the purchase of the equipment portion of our capital assets. A vehicle and equipment schedule is maintained showing date purchased, cost, estimated year of replacement, and the estimated replacement cost. A repayment schedule over the life of the item purchased is also charted. Those repayments, which are currently based on the vehicle purchase cost not the future replacement cost, become an expense in the departmental budgets every year and help fund the purchase of replacement vehicles and equipment in future years. The general fund does not pay interest on the repayments to the corporate reserve fund. If the utilities borrow from this fund, they are charged an interest rate that is  $\frac{1}{4}\%$  lower than would be available through a state trust fund loan.

Significant additions in the capital assets of the governmental activities include:

- Repaving of Cottonwood Avenue, James Drive, Walnut Ridge, Richards Road, River Reserve and Tree Ridge Court totaling \$950,136.
- Nixon Park playground equipment for \$116,033
- Hartbrook Pedestrian Bridge replacement for \$384,568
- Repaving and additions to Nixon Park Parking Lot for \$380,094
- Replacement of an Ambulance for \$299,819

# *Village of Hartland*

## **2023 Management's Discussion and Analysis (cont.) (Unaudited)**

- Addition of Pickleball Courts at Nixon Park for \$180,827
- New Police Squad camera system for \$26,325

In the business type activities, the Water Utility replaced water valves for \$32,866, purchased meters for \$57,674, hydrants for \$58,531, new water truck for \$93,915 and upgraded communications systems for \$81,760. The Sewer Utility had no upgrades to the system in 2023.

The Village of Hartland is proud to be able to continue the aggressive maintenance of our infrastructure. More information is provided on the Village's capital assets activity for the year on pages 50 through 52 of the financial statements.

### *Long-term Debt*

At the end of 2023, the Village bond rating was Aa2, which was in place when the Village executed the most recent borrowing in December of 2023. We are very proud that a community our size is able to attain this rating. This rating recognizes our strong financial position, stable tax base and moderate debt burden.

At the end of 2023, the total amount of general obligation outstanding debt was \$21,300,000, which entirely comprises general obligation bonds and notes. This is equal to approximately 1.1% of the Village of Hartland's 2023 equalized value. State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total equalized valuation. Based on the Village's 2023 equalized value of \$1,995,168,100, the Village of Hartland's allowable indebtedness is \$99,758,405 (5% of the equalized value). At the end of 2023, the Village has used 21.4% of its allowable indebtedness.

89.3% of the Village's overall debt is related to governmental activities. The Water Utility owes just under of 7.0% of the debt and the Sewer Utility owes 3.7% of the debt.

In 2005, the Sewer Utility also partnered with the City of Delafield Sewer Utility to obtain a Clean Water Fund Loan for the Delafield-Hartland Waste Water Pollution Control Commission (Del-Hart). Del-Hart is the paying agent on this revenue bond because the sewer treatment revenues are funding the principal and interest payments. The revenue bonds have been paid off in full during 2023.

More information on the Village of Hartland's long-term debt can be found on pages 54 through 57.

### *General Economic Factors*

Despite the relative permanence of the changes brought about by the 2008 economic downturn, not only on our practices but the economic conditions in which we operate, the Village remains strong. The financial resources of the Village were impacted by these overall changes in the economy. In the years that lead up to 2008, property values and community growth steadily increased. With the change in the economy, the Village, like many other municipalities, saw an almost immediate decline in growth activity and began to experience decline in property values, which continued to 2013. Through January of 2013, the Village's equalized value had decreased by approximately 11% below the 2008 figure. However, home and commercial property prices stabilized and began to rise while commercial vacancy rates dropped in the Village. The Village has seen growth in property values for existing properties and, through the construction of recently approved residential subdivisions as well as other commercial and downtown development, has realized an expansion of the overall tax base. In 2023, the Village's equalized value continued to grow and experienced an annual increase of just over 14% from the 2022 figure to \$1.995 billion. This continued the rebound and puts the Village's Equalized Value at about 69% greater than the 2013 figure. Growth in the Village's overall tax base will continue as previously-approved and newly approved developments build out and fill up. The

## *Village of Hartland*

### **2023 Management's Discussion and Analysis (cont.)** (Unaudited)

Village continues to be approached about other potential subdivisions and developments, which was considered in the context of the Village's Comprehensive Plan, which was updated and finalized in 2019.

As alluded to above, the Village continues to see strong growth in the commercial sector. Several of the Village's industrial and large commercial businesses have grown at their existing Hartland locations and others continue to follow suit. Major expansions and increases in activity have occurred and continue to occur at a number of the larger commercial enterprises and Village staff have been responding to planned expansions and improvements at all types and sizes of commercial facilities. These factors continue to demonstrate the improving forecast. Despite the difficulties of the past, the Village of Hartland weathered the downturn in the way management expected; by taking care of our infrastructure; maintaining a careful and deliberate approach to financial management; maintaining our healthy reserves and responding to growth potential in a manner consistent with our plans. In difficult times, our reserves add strength to our financial position. We expect it to remain strong into the future as we predict modest increases in our tax base growth.

We have a large development of townhomes and apartments soon to be built in an old quarry. This will bring an influx of new citizens to help Hartland with potential growth downtown. We are anticipating re-development in the downtown of our Village to be the next step in our continued growth. Many of these buildings are very old and have changed hands to owners hoping to develop their properties into multi-level and multi-use purposes.

### *Tax Increment Financing*

As noted earlier in this Analysis, TIF District #4, which was created just prior to the downturn in 2008, has improved and is realizing positive value and property tax revenue. TIF #4 has been reduced in size twice to mitigate the value loss it experienced after its inception. In 2015, the Village implemented the second reduction of TIF #4 to include only the two properties that received funding through the District, which have experienced a major increase in value. By doing so, TIF District #4 generated positive increment on which taxes were levied creating tax revenue in the district for the first time in 2016. This continued in 2023 and is expected to continue into the future. Taxes generated are expected to cover the cost of the loans made by the Village/TIF District to support the redevelopment to close out with a positive fund balance. Due to a 2017 change in State Law, the status of all of the Village's TIF Districts is reviewed annually at a public meeting of the Joint Review Boards for each District. The Joint Review Board includes representatives from Waukesha County, Waukesha County Technical College, Arrowhead High School, the local elementary school districts as well as the Village and the public.

The Mixed Use Tax Increment Financing District (TIF #6) created in 2015 to support a mixed use redevelopment on E. Capitol Drive in the downtown continues to develop. The project involved the demolition and redevelopment of a commercial building and three residential structures into a new mixed use commercial building and two residential buildings comprising up to 80 residential units and about 4,000 square feet of commercial space. During 2016, the financial assistance provided on the development was modified and includes up to \$1.955 million in monetary contributions, which comprises about \$733,000 in grants for infrastructure and other specific activities and rebates on incremental taxes paid by the property owner in an amount not to exceed \$1.222 million, plus two properties owned by the Village (purchased in TIF #4) in the redevelopment area. Construction was complete in 2018 and the value of the property rose to more than \$13 million in property value for tax payments received in 2023. TIF #6 is expected to cover all of its commitments in the years prior to its required closure date.

In 2011, the Village of Hartland created TIF #5 for rehabilitation of a blighted area south of Cardinal Lane near Highway 83. TIF #5 facilitated the redevelopment of the property in a manner which provided a higher and better use of the property and provided roadway improvements to better serve the neighborhood within which TIF #5 is located. The area has been redeveloped with a restaurant

## *Village of Hartland*

### **2023 Management's Discussion and Analysis (cont.)** (Unaudited)

with drive through facilities. Since 2012, the development has realized growing levels of increment value. Payments made on the increment are used to help pay down loans made to the developer of the project as an incentive. The positive increment that is in TIF #5 was used to pay back the developer the amounts paid on their debt until 2023 per the TIF Agreement. This district is now in the final stages of being closed out in 2024.

In 2023, the Village of Hartland created TIF #7 as a rehabilitation TIF. The property was an old quarry and over the years had many different items filled or dumped into this quarry. Three Leaf Development will be revitalizing this area to consist of 267 units of townhomes and stacked flat apartments. The rent of these units will be a market rate rent and will bring approximately 400-500 new residents to Hartland. This TIF funding will be a pay-go method in which the developer puts forth all of the money for this project and receives tax rebates up to the TIF amount.

### *Other Factors*

The Village's economic development activities in the downtown continue to complement the Business Improvement District which was formed under Wisconsin Statutes section 66.1110 (1)(f)(4) at the end of 2006 by an active group of downtown business people. The Business Improvement District works to enhance the aesthetics and commercial atmosphere in the Village and, consequently, increase business activity. A director is employed by the BID and office space, a web site and regular electronic communications with members are maintained. The BID continues to operate a number of grant programs along with a highly successful revolving loan program and other activities to improve the Downtown including installation of directional signs, support of downtown events and activities, and provision of educational opportunities for businesses. Through its various loans and grants to downtown businesses and property owners who want to make a better street presence or otherwise improve their buildings, the BID has leveraged significant private investment in the downtown. The Business Improvement District is a public/private partnership in which property and business owners elect to make a collective contribution to the maintenance, development and promotion of their commercial district. The Village of Hartland assists in this effort by matching grants made by the BID to eligible property owners. The Business Improvement District has remained successful and expanded its boundaries in 2017 to include additional commercial properties adjacent to the then-existing District boundaries. Additionally, the District, which was a significant factor in the Village achieving its status as an Ice Age Trail Community, remains an active participant in this ongoing cross marketing relationship with the Ice Age Trail Alliance.

2023 was a successful year for the Village of Hartland. We have seen our recreation programs grow to their Pre-Covid numbers. We are seeing many businesses open up and redevelopment in our downtown start to spur. We are working on revitalizing and improving our parks. We are creating new events and growing old events to draw people to Hartland. There is a lot to be excited for in Hartland right now.

### *Requests for Information*

This financial report is designed to provide a general overview of the Village of Hartland's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Village of Hartland Finance Director, 210 Cottonwood Avenue, Hartland, WI 53029.

**VILLAGE OF HARTLAND**

STATEMENT OF NET POSITION  
As of December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Business Improvement District
<b>ASSETS</b>				
Cash and investments	\$ 14,942,751	\$ 8,022,710	\$ 22,965,461	\$ 57,015
Receivables (net)				
Taxes	7,892,691	34,279	7,926,970	74,800
Accounts	133,074	905,317	1,038,391	-
Delinquent personal property taxes	1,088	-	1,088	-
Loans	107,501	-	107,501	-
Accrued interest	106,303	-	106,303	-
Leases	1,563,226	-	1,563,226	-
Inventories	3,007	15,702	18,709	-
Capital assets (net of accumulated depreciation/amortization)				
Land	612,637	132,771	745,408	-
Construction in progress	12,658	14,955	27,613	-
Other capital assets, net of depreciation/amortization	29,079,528	17,547,183	46,626,711	-
Total Assets	<u>54,454,464</u>	<u>26,672,917</u>	<u>81,127,381</u>	<u>131,815</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow related to pension	5,290,049	636,868	5,926,917	-
Deferred outflow related to OPEBs	277,025	39,220	316,245	-
Total Deferred Outflows of Resources	<u>5,567,074</u>	<u>676,088</u>	<u>6,243,162</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 477,374	\$ 62,826	\$ 540,200	\$ 3,269
Accrued interest payable	67,257	183,571	250,828	-
Unearned revenue	975,511	-	975,511	-
Deposits	65,500	-	65,500	-
Due to other governmental units	1,194	-	1,194	-
Noncurrent liabilities				
Due within one year	1,838,923	315,963	2,154,886	-
Due in more than one year	18,560,152	2,124,611	20,684,763	-
Net pension liability	1,427,349	156,058	1,583,407	-
OPEB liabilities	429,034	68,328	497,362	-
Total Liabilities	<u>23,842,294</u>	<u>2,911,357</u>	<u>26,753,651</u>	<u>3,269</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue	7,892,691	-	7,892,691	74,800
Deferred inflow related to leases	1,563,226	-	1,563,226	-
Deferred inflow related to pension	2,966,121	356,008	3,322,129	-
Deferred inflow related to OPEBs	195,794	39,950	235,744	-
Total Deferred Inflows of Resources	<u>12,617,832</u>	<u>395,958</u>	<u>13,013,790</u>	<u>74,800</u>
<b>NET POSITION</b>				
Net investment in capital assets	13,546,635	15,347,059	28,893,694	-
Restricted for				
Library	99,670	-	99,670	-
Impact fees	603,402	-	603,402	-
ARPA	59,471	-	59,471	-
Developer fund	26,843	-	26,843	-
Debt service	193,082	-	193,082	-
Unrestricted	<u>9,032,309</u>	<u>8,694,631</u>	<u>17,726,940</u>	<u>53,746</u>
<b>TOTAL NET POSITION</b>	<u>\$ 23,561,412</u>	<u>\$ 24,041,690</u>	<u>\$ 47,603,102</u>	<u>\$ 53,746</u>

# VILLAGE OF HARTLAND

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2023

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Functions/Programs</b>				
<b>Primary Government</b>				
Governmental Activities				
General government	\$ 1,107,380	\$ 136,873	\$ -	\$ -
Public safety	4,573,555	497,776	82,419	-
Public works	3,328,460	32,467	745,110	-
Health and human services	552,554	553,807	-	-
Culture, education and recreation	1,608,769	506,208	418,672	-
Conservation and development	303,636	233,731	4,313	-
Interest and fiscal charges	531,888	-	-	-
Total Governmental Activities	12,006,242	1,960,862	1,250,514	-
Business-type Activities				
Water Utility	1,684,723	1,986,125	-	-
Sewer Utility	1,989,329	2,151,007	-	-
Total Business-type Activities	3,674,052	4,137,132	-	-
Total Primary Government	\$ 15,680,294	\$ 6,097,994	\$ 1,250,514	\$ -
<b>Component Unit</b>				
Business improvement district	\$ 84,934	\$ -	\$ 1,125	\$ -

**General Revenues**

Taxes

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Property taxes, levied for TIF districts
- Other taxes

Intergovernmental revenues not restricted to specific programs

- Investment income
- Lease interest income
- Miscellaneous
- Lease revenue
- Gain on disposal of assets

Total General Revenues

Transfers

**Change in net position**

NET POSITION - Beginning of Year

**NET POSITION - END OF YEAR**

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental	Business-type		Business
Activities	Activities	Totals	Improvement
			District
\$ (970,507)	\$ -	\$ (970,507)	\$ -
(3,993,360)	-	(3,993,360)	-
(2,550,883)	-	(2,550,883)	-
1,253	-	1,253	-
(683,889)	-	(683,889)	-
(65,592)	-	(65,592)	-
(531,888)	-	(531,888)	-
<u>(8,794,866)</u>	<u>-</u>	<u>(8,794,866)</u>	<u>-</u>
-	301,402	301,402	-
-	161,678	161,678	-
-	463,080	463,080	-
<u>(8,794,866)</u>	<u>463,080</u>	<u>(8,331,786)</u>	<u>-</u>
-	-	-	(83,809)
4,974,876	-	4,974,876	-
1,833,608	-	1,833,608	-
173,271	-	173,271	-
-	-	-	74,800
541,541	-	541,541	-
793,342	379,308	1,172,650	-
48,983	-	48,983	-
119,545	-	119,545	3,425
92,690	-	92,690	-
103,521	-	103,521	-
<u>8,681,377</u>	<u>379,308</u>	<u>9,060,685</u>	<u>78,225</u>
<u>169,659</u>	<u>(169,659)</u>	<u>-</u>	<u>-</u>
56,170	672,729	728,899	(5,584)
<u>23,505,242</u>	<u>23,368,961</u>	<u>46,874,203</u>	<u>59,330</u>
<u>\$ 23,561,412</u>	<u>\$ 24,041,690</u>	<u>\$ 47,603,102</u>	<u>\$ 53,746</u>

**VILLAGE OF HARTLAND**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2023

	Special Revenue Funds				
	General Fund	TIF #4	TIF #5	TIF #6	TIF #7
<b>ASSETS</b>					
Assets					
Cash and investments	\$ 6,759,385	\$ -	\$ 3,500	\$ -	\$ -
Receivables					
Taxes	5,104,228	17,514	14,252	141,579	-
Delinquent personal property tax	1,088	-	-	-	-
Accrued interest	106,303	-	-	-	-
Accounts (net)	133,074	-	-	-	-
Lease receivable	1,563,226	-	-	-	-
Loans	-	107,501	-	-	-
Due from other funds	-	-	-	-	-
Prepayments	3,007	-	-	-	-
Total Assets	<u>\$ 13,670,311</u>	<u>\$ 125,015</u>	<u>\$ 17,752</u>	<u>\$ 141,579</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>					
Liabilities					
Accounts payable	\$ 323,235	\$ -	\$ 3,500	\$ -	\$ -
Accrued liabilities	10,921	-	-	-	-
Due to other governments	1,194	-	-	-	-
Due to other funds	-	54,239	-	1,318,012	10,231
Unearned revenues	-	-	-	-	-
Deposits	65,500	-	-	-	-
Total Liabilities	<u>400,850</u>	<u>54,239</u>	<u>3,500</u>	<u>1,318,012</u>	<u>10,231</u>
Deferred Inflows of Resources					
Unearned revenues	5,104,228	17,514	14,252	141,579	-
Unearned leases	1,563,226	-	-	-	-
Unavailable revenues	-	107,501	-	-	-
Total Deferred Inflows of Resources	<u>6,667,454</u>	<u>125,015</u>	<u>14,252</u>	<u>141,579</u>	<u>-</u>
Fund Balances (Deficits)					
Nonspendable	4,095	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	1,494,031	-	-	-	-
Unassigned (Deficits)	5,103,881	(54,239)	-	(1,318,012)	(10,231)
Total Fund Balances (Deficits)	<u>6,602,007</u>	<u>(54,239)</u>	<u>-</u>	<u>(1,318,012)</u>	<u>(10,231)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 13,670,311</u>	<u>\$ 125,015</u>	<u>\$ 17,752</u>	<u>\$ 141,579</u>	<u>\$ -</u>

Debt Service Fund	Capital Projects Funds		Nonmajor Governmental Funds	Totals
	Village Projects	Corporate Reserve		
\$ 260,339	\$ 4,237,078	\$ 1,517,195	\$ 1,910,014	\$ 14,687,511
2,058,608	-	-	556,510	7,892,691
-	-	-	-	1,088
-	-	-	-	106,303
-	-	-	-	133,074
-	-	-	-	1,563,226
-	-	-	-	107,501
-	1,382,482	-	-	1,382,482
-	-	-	-	3,007
<u>\$ 2,318,947</u>	<u>\$ 5,619,560</u>	<u>\$ 1,517,195</u>	<u>\$ 2,466,524</u>	<u>\$ 25,876,883</u>
\$ -	\$ 83,767	\$ -	\$ 46,813	\$ 457,315
-	-	-	-	10,921
-	-	-	-	1,194
-	-	-	-	1,382,482
-	-	-	975,511	975,511
-	-	-	-	65,500
-	<u>83,767</u>	-	<u>1,022,324</u>	<u>2,892,923</u>
2,058,608	-	-	556,510	7,892,691
-	-	-	-	1,563,226
-	-	-	-	107,501
<u>2,058,608</u>	-	-	<u>556,510</u>	<u>9,563,418</u>
-	1,382,482	-	-	1,386,577
260,339	3,771,734	-	789,386	4,821,459
-	-	-	98,304	98,304
-	381,577	1,517,195	-	3,392,803
-	-	-	-	3,721,399
<u>260,339</u>	<u>5,535,793</u>	<u>1,517,195</u>	<u>887,690</u>	<u>13,420,542</u>
<u>\$ 2,318,947</u>	<u>\$ 5,619,560</u>	<u>\$ 1,517,195</u>	<u>\$ 2,466,524</u>	<u>\$ 25,876,883</u>

## VILLAGE OF HARTLAND

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION For the Year Ended December 31, 2023

---

Total Fund Balances - Governmental Funds	\$ 13,420,542
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	
Land	612,637
Construction in progress	12,658
Other capital assets	53,288,419
Less: Accumulated depreciation	(24,208,891)
Loans not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements	107,501
The net pension liability does not relate to current financial resources and is not reported in the governmental funds	(1,427,349)
The OPEB liabilities do not relate to current financial resources and are not reported in the governmental funds	(429,034)
The deferred outflows of resources related to pension do not relate to current financial resources and, therefore, is not reported in the governmental funds	5,290,049
The deferred outflows of resources related to OPEB's do not relate to current financial resources and, therefore, is not reported in the governmental funds	277,025
The deferred inflows of resources related to pension do not relate to current financial resources and, therefore, is not reported in the governmental funds	(2,966,121)
The deferred inflows of resources related to OPEB's do not relate to current financial resources and, therefore, is not reported in the governmental funds	(195,794)
Internal service funds are reported in the statement of net position as governmental activities	246,102
Some deferred outflows of resources and liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds	
Bonds and notes payable (including debt discount and premiums)	(19,929,922)
Compensated absences	(469,153)
Accrued interest payable	(67,257)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 23,561,412</u></b>

**VILLAGE OF HARTLAND**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2023

	Special Revenue Funds				
	General Fund	TIF #4	TIF #5	TIF #6	TIF #7
<b>REVENUES</b>					
Taxes	\$ 4,974,876	\$ 22,276	\$ 15,402	\$ 154,093	\$ -
Intergovernmental	1,661,667	544	181	-	-
Licenses and permits	279,463	-	-	-	-
Fines, forfeitures and penalties	83,945	-	-	-	-
Public charges for services	1,058,776	-	-	-	-
Public improvement revenues	-	4,313	-	-	-
Interdepartmental revenue	119,576	-	-	-	-
Investment income	380,811	-	-	-	-
Lease interest income	48,983	-	-	-	-
Lease revenue	92,690	-	-	-	-
Miscellaneous revenues	3,118	-	-	-	-
Total Revenues	<u>8,703,905</u>	<u>27,133</u>	<u>15,583</u>	<u>154,093</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current					
General government	975,938	178	3,679	178	-
Police	2,809,072	-	-	-	-
Fire protection	1,146,325	-	-	-	-
Public works	1,525,468	-	-	-	-
Health and human services	-	-	-	-	-
Library	717,561	-	-	-	-
Parks	598,265	-	-	-	-
Conservation and development	131,202	150	7,104	138,834	10,231
Capital Outlay	119,346	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Debt issuance costs	-	-	-	-	-
Total Expenditures	<u>8,023,177</u>	<u>328</u>	<u>10,783</u>	<u>139,012</u>	<u>10,231</u>
Excess (deficiency) of revenues over expenditures	<u>680,728</u>	<u>26,805</u>	<u>4,800</u>	<u>15,081</u>	<u>(10,231)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	2,696	-	-	-	-
Debt issued	-	-	-	-	-
Premium on long-term debt issued	-	-	-	-	-
Transfers in	169,659	-	-	-	-
Transfers out	(385,913)	-	(4,800)	-	-
Total Other Financing Sources (Uses)	<u>(213,558)</u>	<u>-</u>	<u>(4,800)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	467,170	26,805	-	15,081	(10,231)
FUND BALANCES (DEFICITS) - Beginning of Year	<u>6,134,837</u>	<u>(81,044)</u>	<u>-</u>	<u>(1,333,093)</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u>\$ 6,602,007</u>	<u>\$ (54,239)</u>	<u>\$ -</u>	<u>\$ (1,318,012)</u>	<u>\$ (10,231)</u>

Debt Service Fund	Capital Projects Funds		Nonmajor Governmental Funds	Totals
	Village Projects	Corporate		
		Reserve		
\$ 1,833,608	\$ -	\$ -	\$ -	\$ 7,000,255
-	-	-	2,800	1,665,192
-	-	-	-	279,463
-	-	-	-	83,945
-	-	-	651,886	1,710,662
-	-	-	6,303	10,616
-	-	-	-	119,576
36,227	193,792	75,218	100,991	787,039
-	-	-	-	48,983
-	-	-	-	92,690
-	-	-	-	3,118
<u>1,869,835</u>	<u>193,792</u>	<u>75,218</u>	<u>761,980</u>	<u>11,801,539</u>
-	-	-	-	979,973
-	-	-	4,450	2,813,522
-	-	-	-	1,146,325
-	-	-	-	1,525,468
-	-	-	557,787	557,787
-	-	-	3,810	721,371
-	-	-	-	598,265
-	1,125	-	-	288,646
-	2,377,507	540,922	192,571	3,230,346
1,465,000	-	-	-	1,465,000
479,410	-	-	-	479,410
33,647	66,975	-	-	100,622
<u>1,978,057</u>	<u>2,445,607</u>	<u>540,922</u>	<u>758,618</u>	<u>13,906,735</u>
(108,222)	(2,251,815)	(465,704)	3,362	(2,105,196)
-	-	107,018	-	109,714
-	3,235,000	-	-	3,235,000
127,852	-	-	-	127,852
105,102	4,800	385,913	-	665,474
-	-	-	(105,102)	(495,815)
<u>232,954</u>	<u>3,239,800</u>	<u>492,931</u>	<u>(105,102)</u>	<u>3,642,225</u>
124,732	987,985	27,227	(101,740)	1,537,029
<u>135,607</u>	<u>4,547,808</u>	<u>1,489,968</u>	<u>989,430</u>	<u>11,883,513</u>
\$ 260,339	\$ 5,535,793	\$ 1,517,195	\$ 887,690	\$ 13,420,542

## VILLAGE OF HARTLAND

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2023

Net change in fund balances - total governmental funds	\$ 1,537,029
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets are capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	3,230,346
Some items reported as capital outlay were not capitalized	(479,109)
Depreciation is reported in the government-wide statements	(1,933,967)
Net book value of assets retired	(19,589)
<p>Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>	
	(18,500)
<p>Debt issued provides current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Debt issued	(3,235,000)
Principal repaid	1,465,000
<p>Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as other additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>	
Premium on long-term debt issued	(127,852)
Amortization	52,498
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Net pension asset/liability	(3,612,824)
OPEB liabilities	194,086
Deferred outflows of resources related to pension	1,076,482
Deferred outflows of resources related to OPEBs	(64,317)
Deferred inflows of resources related to pension	2,143,647
Deferred inflows of resources related to OPEBs	(143,046)
Compensated absences	(8,566)
Accrued interest on debt	(4,354)
<p>Internal service funds are used by management to charge self insurance costs to individual funds. The increase in net position of the internal service fund reported with governmental activities.</p>	
	4,206
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 56,170</b>

**VILLAGE OF HARTLAND**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 As of December 31, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Totals	Dental Insurance
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 2,917,243	\$ 5,105,467	\$ 8,022,710	\$ 255,240
Receivables				
Accounts	421,853	483,464	905,317	-
Taxes	15,300	18,979	34,279	-
Prepayments	15,702	-	15,702	-
Total Current Assets	<u>3,370,098</u>	<u>5,607,910</u>	<u>8,978,008</u>	<u>255,240</u>
Noncurrent Assets				
Capital Assets				
Land	132,771	-	132,771	-
Construction in progress	-	14,955	14,955	-
Property and equipment	21,098,957	12,063,301	33,162,258	-
Accumulated depreciation	<u>(9,146,157)</u>	<u>(6,468,918)</u>	<u>(15,615,075)</u>	<u>-</u>
Total Noncurrent Assets	<u>12,085,571</u>	<u>5,609,338</u>	<u>17,694,909</u>	<u>-</u>
Total Assets	<u>15,455,669</u>	<u>11,217,248</u>	<u>26,672,917</u>	<u>255,240</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow related to OPEBs	23,839	15,381	39,220	-
Deferred outflow related to pension	<u>378,561</u>	<u>258,307</u>	<u>636,868</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>402,400</u>	<u>273,688</u>	<u>676,088</u>	<u>-</u>

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Totals	Dental Insurance
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 46,385	\$ 16,441	\$ 62,826	\$ 9,138
Accrued interest	4,052	1,765	5,817	-
Current portion of general obligation debt	230,000	50,000	280,000	-
Compensated absences	21,710	14,253	35,963	-
Due to Del-Hart	-	177,754	177,754	-
Total Current Liabilities	<u>302,147</u>	<u>260,213</u>	<u>562,360</u>	<u>9,138</u>
Noncurrent Liabilities				
Long-Term Debt				
General obligation debt	1,347,850	720,000	2,067,850	-
Compensated absences	33,403	23,358	56,761	-
Net pension liability	93,597	62,461	156,058	-
OPEB Liability	42,173	26,155	68,328	-
Total Noncurrent Liabilities	<u>1,517,023</u>	<u>831,974</u>	<u>2,348,997</u>	<u>-</u>
Total Liabilities	<u>1,819,170</u>	<u>1,092,187</u>	<u>2,911,357</u>	<u>9,138</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow related to pension	218,002	138,006	356,008	-
Deferred inflow related to OPEBs	25,919	14,031	39,950	-
Total Deferred Inflows of Resources	<u>243,921</u>	<u>152,037</u>	<u>395,958</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	10,507,721	4,839,338	15,347,059	-
Unrestricted	<u>3,287,257</u>	<u>5,407,374</u>	<u>8,694,631</u>	<u>246,102</u>
<b>TOTAL NET POSITION</b>	<u>\$ 13,794,978</u>	<u>\$ 10,246,712</u>	<u>\$ 24,041,690</u>	<u>\$ 246,102</u>

**VILLAGE OF HARTLAND**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS

For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Totals	Dental Insurance
<b>OPERATING REVENUES</b>				
Public charges for services	\$ 1,950,978	\$ 2,043,916	\$ 3,994,894	\$ -
Miscellaneous revenues	22,306	107,091	129,397	57,180
Total Operating Revenues	<u>1,973,284</u>	<u>2,151,007</u>	<u>4,124,291</u>	<u>57,180</u>
<b>OPERATING EXPENSES</b>				
Current				
Operation and maintenance	1,104,984	1,613,628	2,718,612	65,005
Depreciation expense	506,186	350,665	856,851	-
Taxes	28,674	-	28,674	-
Total Operating Expenses	<u>1,639,844</u>	<u>1,964,293</u>	<u>3,604,137</u>	<u>65,005</u>
Operating Income (Loss)	<u>333,440</u>	<u>186,714</u>	<u>520,154</u>	<u>(7,825)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	135,209	244,099	379,308	12,031
Interest expense	(44,879)	(25,036)	(69,915)	-
Amortization	12,841	-	12,841	-
Total Nonoperating Revenues (Expenses)	<u>103,171</u>	<u>219,063</u>	<u>322,234</u>	<u>12,031</u>
Income Before Transfers	<u>436,611</u>	<u>405,777</u>	<u>842,388</u>	<u>4,206</u>
<b>TRANSFERS</b>				
Transfers out	(164,241)	(5,418)	(169,659)	-
Total Transfers	<u>(164,241)</u>	<u>(5,418)</u>	<u>(169,659)</u>	<u>-</u>
<b>Change in Net Position</b>	272,370	400,359	672,729	4,206
NET POSITION - Beginning of Year	<u>13,522,608</u>	<u>9,846,353</u>	<u>23,368,961</u>	<u>241,896</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 13,794,978</u>	<u>\$ 10,246,712</u>	<u>\$ 24,041,690</u>	<u>\$ 246,102</u>

**VILLAGE OF HARTLAND**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Totals	Dental Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 1,961,923	\$ 2,124,101	\$ 4,086,024	\$ 57,180
Payments to vendors	(659,045)	(1,376,126)	(2,035,171)	-
Payments to employees	(379,814)	(209,524)	(589,338)	(63,034)
Payments to other funds	(66,095)	(53,481)	(119,576)	-
Net Cash Flows From Operating Activities	<u>856,969</u>	<u>484,970</u>	<u>1,341,939</u>	<u>(5,854)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	<u>135,209</u>	<u>244,099</u>	<u>379,308</u>	<u>12,031</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Paid to municipality for tax equivalent	<u>(164,241)</u>	<u>(5,418)</u>	<u>(169,659)</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>(164,241)</u>	<u>(5,418)</u>	<u>(169,659)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal paid on long-term debt	(220,000)	(50,000)	(270,000)	-
Interest paid	(32,909)	(25,198)	(58,107)	-
Acquisition and construction of capital assets	(289,742)	-	(289,742)	-
Sale of capital assets	9,280	-	9,280	-
Receipt of Del-Hart deposits	-	176,055	176,055	-
Payment of Del-Hart deposits	<u>-</u>	<u>(194,716)</u>	<u>(194,716)</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(533,371)</u>	<u>(93,859)</u>	<u>(627,230)</u>	<u>-</u>
<b>Net Change in Cash and Cash Equivalents</b>	294,566	629,792	924,358	6,177
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,622,677</u>	<u>4,475,675</u>	<u>7,098,352</u>	<u>249,063</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,917,243</u>	<u>\$ 5,105,467</u>	<u>\$ 8,022,710</u>	<u>\$ 255,240</u>

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Totals	Dental Insurance
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 333,440	\$ 186,714	\$ 520,154	\$ (7,825)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	506,186	350,665	856,851	-
Depreciation charged to other funds	32,808	(32,808)	-	-
Amortization	(12,841)	-	(12,841)	-
Changes in assets, deferred outflows, liabilities and deferred inflows				
Accounts receivable	(11,361)	(26,906)	(38,267)	-
Inventory	233	-	233	-
Pension related amounts	10,826	958	11,784	-
OPEB related amounts	8,295	6,296	14,591	-
Accounts payable	(12,608)	(3,837)	(16,445)	1,971
Compensated absences	1,991	3,888	5,879	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 856,969</u>	<u>\$ 484,970</u>	<u>\$ 1,341,939</u>	<u>\$ (5,854)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Change in Del-Hart loan payable/receivable	\$ -	\$ 332,537		\$ -
Interest expense on Del-Hart loan payable	\$ -	\$ 4,572		\$ -
Interest earned on Del-Hart loan receivable	\$ -	\$ 4,572		\$ -

**VILLAGE OF HARTLAND**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
As of December 31, 2023

---

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 8,023,914
Receivables	
Taxes	<u>5,400,404</u>
<b>TOTAL ASSETS</b>	<u>13,424,318</u>
<b>LIABILITIES</b>	
Due to other governments	<u>13,424,318</u>
<b>NET POSITION</b>	<u>\$ -</u>

# VILLAGE OF HARTLAND

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND For the Year Ended December 31, 2023

---

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>ADDITIONS</b>	
Tax Collections	\$ 9,904,141
Total Additions	<u>9,904,141</u>
<b>DEDUCTIONS</b>	
Payments to overlying districts	<u>9,904,141</u>
Total Deductions	<u>9,904,141</u>
<b>Change in Fiduciary Net Position</b>	-
NET POSITION - Beginning of Year	<u>-</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ -</u>

# VILLAGE OF HARTLAND

## INDEX TO NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2023

---

<b>NOTE</b>	<b>Page</b>
I. Summary of Significant Accounting Policies	33
A. Reporting Entity	33
B. Government-Wide and Fund Financial Statements	34
C. Measurement Focus, Basis of Accounting and Financial Statement Presentation	37
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	38
1. Deposits and Investments	38
2. Receivables	39
3. Inventories and Prepaid Items	40
4. Capital Assets	41
5. Deferred Outflows of Resources	41
6. Compensated Absences	42
7. Long-Term Obligations	42
8. Leases	42
9. Deferred Inflows of Resources	42
10. Equity Classifications	43
11. Basis for Existing Rates – Proprietary Funds	44
12. Pension	45
13. Postemployment Benefits Other Than Pensions (OPEB)	45
II. Stewardship, Compliance, and Accountability	46
A. Budgetary Information	46
B. Excess Expenditures over Appropriations	46
C. Deficit Balances	46
D. Limitations on the Village’s Tax Levy	46
III. Detailed Notes on All Funds	47
A. Deposits and Investments	47
B. Receivables	48
C. Capital Assets	50
D. Interfund Receivables/Payables and Transfers	52
E. Long-Term Obligations	54
F. Lessor – Lease Receivable	57
G. Net Position/Fund Balances (Deficits)	58
H. Component Unit	62
IV. Other Information	62
A. Employees’ Retirement System	62
B. Local Retiree Life Insurance Fund (LRLIF)	69
C. Retiree Health Insurance Benefit	74
D. Risk Management	77
E. Commitments and Contingencies	78
F. Municipal Revenue Obligations	78
G. Effect of New Accounting Standards on Current-Period Financial Statements	79
H. Joint Ventures	79

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### **NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

The accounting policies of the Village of Hartland (“Village”), Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### ***A. REPORTING ENTITY***

This report includes all of the funds of the Village of Hartland. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity’s financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization’s governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization’s governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

##### ***Discretely Presented Component Unit***

###### ***Hartland Business Improvement District***

The government-wide financial statements include the Hartland Business Improvement District ("BID") as a component unit. The BID is a legally separate organization. The board of the BID is appointed by the Village board. Wisconsin Statutes provide for circumstances whereby the Village can impose its will on the BID, and also create a potential financial benefit to or burden on the Village. See Note III.I. As a component unit, the BID's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2023. The BID does not issue separate financial statements.

##### ***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements***

Financial statements of the Village are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or non-major funds within the governmental and proprietary fund statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the Village's management believes is particularly important to financial statement users may be reported as a major fund.

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

The Village reports the following major governmental funds:

- General Fund – accounts for the Village's primary operating activities. It is used to account for and report all financial resources not accounted for and reported in another fund.
- Special Revenue Fund – TIF Fund #4 – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of TIF related costs.
- Special Revenue Fund – TIF Fund #5 – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of TIF related costs.
- Special Revenue Fund – TIF Fund #6 – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of TIF related costs.
- Special Revenue Fund – TIF Fund #7 – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of TIF related costs.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

##### ***Fund Financial Statements (cont.)***

Debt Service Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest and related costs.

Capital Projects Fund – Village Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for long-term borrowing and other resources to be used for capital improvement projects.

Capital Projects Fund – Corporate Reserve Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for major capital equipment.

The Village reports the following major proprietary funds:

Water Utility – accounts for operations of the water system.

Sewer Utility – accounts for operations of the sanitary sewer system.

The Village reports the following non-major governmental funds:

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than major capital projects).

Refuse and Garbage Collection

Special Library

Major Incident Task Force

Impact Fees

American Rescue Plan Act

Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Developers

In addition, the Village reports the following fund types:

Internal Service Fund - used to account for the financing of goods and services provided by one department to other departments of the Village, or to other governmental units, on a cost-reimbursement basis.

Dental Insurance Fund

Custodial Fund - used to account for and report assets controlled by the Village and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Tax Collection Fund

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***

##### ***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

##### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, and interest. Other general revenues such as fines and forfeitures, license, permit and inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION** (cont.)

##### **Fund Financial Statements** (cont.)

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility and Sewer Utility are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### **All Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY**

##### **1. Deposits and Investments**

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

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

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, drainage district, technical college district, city, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or by Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY* (cont.)

##### **1. Deposits and Investments** (cont.)

The Village has adopted an investment policy. The policy addresses credit risk by limiting investments to savings accounts, checking accounts, Wisconsin local government investment pool, certificates of deposit and any other investment authorized by Wisconsin State Statutes and by ensuring funds are insured or fully collateralized. The policy addresses interest rate risk by investing operating funds in shorter term securities, money market mutual funds, repurchase and sweep agreements or similar investment pools and keeping maturities of investments under 5 years and structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations. The policy addresses custodial credit risk by ensuring funds are insured or fully collateralized. The Village is in compliance with their policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average investment balances. The difference between the bank statement balance and the carrying balance is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2023, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these financial statements.

See Note III.A. for further information.

##### **2. Receivables**

Property taxes are levied in November on the assessed value as of the prior January 1. In addition to property taxes for the Village, taxes are collected for and remitted to the County government as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***2. Receivables (cont.)***

Property tax calendar – 2023 tax roll:

Lien date and levy date	November 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes in full	January 31, 2024
Tax Sale – 2023 delinquent real estate taxes	October 2026

Accounts receivable have been shown net of an allowance for uncollectible accounts of \$311,357 for ambulance billing. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable of the Water and Sewer Utilities has been made in the accompanying enterprise fund financial statements because those funds have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

In the governmental fund financial statements, advances to other funds are offset equally by a non-spendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

##### ***3. Inventories and Prepaid Items***

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for operation and maintenance work. They are not for resale. They are valued at cost based on first in – first out method, and charged to construction or operation and maintenance expense when used.

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

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **4. Capital Assets**

###### **Government–Wide Statements**

Capital assets, which include property, plant, and equipment (including right-to-use lease assets), are reported in the government-wide financial statements, are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$5,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to capital asset accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from capital asset accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and Building Improvements	20-40 Years
Machinery and Equipment	1-15 Years
Utility System	15-90 Years
Infrastructure	20-50 Years
Intangibles	5-20 Years

###### **Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

##### **5. Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **6. Compensated Absences**

Vacation time is cumulative from year to year to a maximum of 24 days. Sick leave benefits are cumulative up to a maximum of 150 days. There are no provisions for payment of accumulated sick leave benefit if employment is terminated. At retirement, a percentage of accumulated sick leave will be converted to health insurance benefits based on the employee's classification.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. In governmental fund financial statements, the cost of vacation and sick leave is recognized when payments are made to employees and liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2023 are determined on the basis of current salary rates and include salary related payments.

##### **7. Long-Term Obligations**

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts "plus any premiums" are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

##### **8. Leases**

The Village is a lessor because it leases capital assets to other entities. As a lessor, the Village reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements.

##### **9. Deferred Inflows of Resources**

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **10. Equity Classifications**

###### **Government–Wide Statements**

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

- a. *Net investment in capital assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.
- b. *Restricted net position*– Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position*– All other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Village’s policy to use restricted resources first, then unrestricted resources as they are needed.

###### **Fund Statements**

Governmental fund balance is displayed as follows:

- a. *Nonspendable* – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. *Restricted* – Consists of fund balances with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. *Committed* – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village that originally created the commitment.
- d. *Assigned* – Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village Board has, by resolution, adopted a financial policy authorizing the Village Manager to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***10. Equity Classifications (cont.)***

###### ***Fund Statements (cont.)***

- e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceeds amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note III.H. for further information.

The Village has a formal minimum fund balance policy. That policy is to maintain a working capital fund of at least 25% of total general fund annual revenues. The balance at year end was \$5,103,881 or 58.6%, and is included in unassigned general fund fund balance.

##### ***11. Basis for Existing Rates – Proprietary Funds***

###### ***Water Utility***

Rates for the water utility were established by the Wisconsin Public Service Commission. The rates for 2023 were effective December 16, 2020. Effective December 16, 2023, the water rates were increased 8.0% as part of a simplified water rate case increase.

###### ***Sewer Utility***

The sewer utility revenues are based on rates established by the Village Board. The 2023 rates were effective December 16, 2022. Effective December 16, 2023, the sewer rates were increased 5.0% as part of the annual budget process.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***12. Pension***

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

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

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

##### ***13. Postemployment Benefits Other Than Pensions (OPEB)***

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

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources related to Other Post-Employment Benefits, and
- OPEB Expense (Revenue).

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

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the Village OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

### NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### **A. BUDGETARY INFORMATION**

A budget has been adopted for the general fund, some special revenue funds, debt service and capital project funds but not for the ARPA special revenue fund and TIF #7 special revenue fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

#### **B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS**

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Debt Service Fund	\$ 1,944,410	\$ 1,978,057	\$ 33,647
Capital Projects Fund			
Village Projects	2,163,116	2,445,607	282,491
Special Revenue Funds			
Refuse and Garbage Collection	533,000	557,787	24,787
Impact Fees	265,102	285,929	20,827
Major Incident Task Force	2,800	4,450	1,650
Special Library	1,000	3,810	2,810

The Village controls expenditures at the fund level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report.

#### **C. DEFICIT BALANCES**

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

The Special Revenue - TIF #4 fund has a deficit balance of \$54,239, Special Revenue - TIF #6 fund has a deficit balance of \$1,318,012 and Special Revenue – TIF #7 fund has a deficit balance of \$10,231 at December 31, 2023. These deficits are anticipated to be funded by future tax increment revenues.

#### **D. LIMITATIONS ON THE VILLAGE'S TAX LEVY**

Wisconsin law limits the Village's future tax levies. Generally, the Village is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the Village's equalized value due to net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The Village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

### NOTE III – DETAILED NOTES ON ALL FUNDS

#### **A. DEPOSITS AND INVESTMENTS**

The Village’s cash and investments at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 29,903,945	\$ 30,311,033	Custodial Credit
LGIP	1,141,895	1,141,895	Credit
Petty cash	550	-	Not Applicable
Total Cash and Investments	\$ 31,046,390	\$ 31,452,928	

Reconciliation to financial statements:

Per statement of net position	
Unrestricted cash and investments	\$ 22,965,461
Component unit cash and investments	57,015
Per statement of Fiduciary Net Position –	
Custodial Fund	8,023,914
Total Cash and Investments	\$ 31,046,390

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

#### ***Custodial Credit Risk***

##### **Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the Village’s deposits may not be returned to the Village.

As of December 31, 2023, \$50,000 of the Village’s total bank balances were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 50,000
Total bank balance exposed to custodial credit risk	\$ 50,000

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### A. DEPOSITS AND INVESTMENTS (cont.)

##### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2023, the Village's investments held in the Local Government Investment Pool were not rated.

See Note I.D.1. for further information on deposit and investment policies.

#### B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year, except for delinquent personal property taxes of \$1,088 and loans of \$87,951.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable	Total
Property taxes receivable for subsequent year	\$ 7,336,181	\$ -	\$ 7,336,181
TIF Loans receivable not yet due	-	107,501	107,501
American Rescue Plan Act Funding	975,511	-	975,511
Leases receivable not yet due	1,563,226	-	1,563,226
Charges for service - refuse and garbage collection	556,510	-	556,510
 Total Unearned/Unavailable Revenue for Governmental Funds	 \$ 10,431,428	 \$ 107,501	 \$10,538,929
 Unearned revenue included in deferred inflows	 \$ 7,892,691		
Unearned revenue included in deferred inflows - leases	1,563,226		
Unearned revenue included in liabilities	975,511		
 Total Unearned/Unavailable Revenue for Governmental Funds	 \$ 10,431,428		

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

---

#### **B. RECEIVABLES** (cont.)

The TIF loans receivable of \$107,501 in TIF #4 consist of development loans to be payable from future tax increment revenue from the TIF #4 fund. If there is not sufficient tax increment revenue generated in a given year, loan payments are required to be paid by the developers involved.

## VILLAGE OF HARTLAND

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

#### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 612,637	\$ -	\$ -	\$ 612,637
Construction in progress	23,689	12,658	23,689	12,658
Total Capital Assets Not Being Depreciated	636,326	12,658	23,689	625,295
Capital assets being depreciated/amortized				
Buildings	8,136,425	17,894	-	8,154,319
Machinery and equipment	8,582,655	982,521	382,178	9,182,998
Intangibles	152,363	41,832	-	194,195
Roads	19,855,951	955,359	509,432	20,301,878
Other infrastructure	3,972,641	764,662	54,757	4,682,546
Storm sewers	10,295,142	-	-	10,295,142
Street lighting	477,341	-	-	477,341
Total Capital Assets Being Depreciated/Amortized	51,472,518	2,762,268	946,367	53,288,419
Less: Accumulated depreciation/amortization for				
Buildings	(4,168,299)	(186,402)	-	(4,354,701)
Machinery and equipment	(4,707,601)	(570,237)	(380,179)	(4,897,659)
Intangibles	(113,123)	(6,087)	-	(119,210)
Roads	(8,437,390)	(774,833)	(491,842)	(8,720,381)
Other infrastructure	(2,091,741)	(185,504)	(54,757)	(2,222,488)
Storm sewers	(3,385,997)	(187,038)	-	(3,573,035)
Street lighting	(297,551)	(23,866)	-	(321,417)
Total Accumulated Depreciation/Amortization	(23,201,702)	(1,933,967)	(926,778)	(24,208,891)
Net Capital Assets Being Depreciated/Amortized	28,270,816	828,301	19,589	29,079,528
Total Governmental Activities Capital Assets, Net of Depreciation/Amortization	\$ 28,907,142	\$ 840,959	\$ 43,278	\$ 29,704,823

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### C. CAPITAL ASSETS (cont.)

Depreciation/amortization expense was charged to functions as follows:

#### Governmental Activities

General government	\$ 75,640
Police	62,566
Fire and ambulance	232,309
Public works, which includes the depreciation of roads, storm sewers and street lighting	1,367,677
Library	99,409
Parks and recreation	<u>96,366</u>
<b>Total Governmental Activities Depreciation/Amortization Expense</b>	<b><u>\$ 1,933,967</u></b>

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities</b>				
Capital assets not being depreciated				
Land	\$ 132,771	\$ -	\$ -	\$ 132,771
Construction in progress	<u>49,959</u>	<u>-</u>	<u>35,004</u>	<u>14,955</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>182,730</u>	<u>-</u>	<u>35,004</u>	<u>147,726</u>
Capital assets being depreciated				
Buildings and improvements	873,043	-	-	873,043
Machinery and equipment	1,603,486	175,675	100,723	1,678,438
Water distribution system	19,076,362	149,071	12,730	19,212,703
Sewer collection system	<u>11,398,074</u>	<u>-</u>	<u>-</u>	<u>11,398,074</u>
<b>Total Capital Assets Being Depreciated</b>	<u>32,950,965</u>	<u>324,746</u>	<u>113,453</u>	<u>33,162,258</u>
Less: Accumulated depreciation for				
Buildings and improvements	(472,528)	(26,486)	-	(499,014)
Machinery and equipment	(2,209,554)	(161,067)	(91,444)	(2,279,177)
Water distribution system	(6,352,003)	(389,625)	(12,729)	(6,728,899)
Sewer collection system	<u>(5,828,312)</u>	<u>(279,673)</u>	<u>-</u>	<u>(6,107,985)</u>
<b>Total Accumulated Depreciation</b>	<u>(14,862,397)</u>	<u>(856,851)</u>	<u>(104,173)</u>	<u>(15,615,075)</u>
<b>Net Capital Assets Being Depreciated</b>	<u>18,088,568</u>	<u>(532,105)</u>	<u>9,280</u>	<u>17,547,183</u>
<b>Business-type Activities</b>				
<b>Capital Assets, Net of Depreciation</b>	<b><u>\$ 18,271,298</u></b>	<b><u>\$ (532,105)</u></b>	<b><u>\$ 44,284</u></b>	<b><u>\$ 17,694,909</u></b>

**VILLAGE OF HARTLAND**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2023

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**C. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

**Business-Type Activities**

Water	\$ 506,186
Sewer	<u>350,665</u>
Total Business-Type Activities	
Depreciation Expense	<u>\$ 856,851</u>

**D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS**

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
Village Projects	Special Revenue Fund - TIF #4	\$ 54,239	\$ 54,239
Village Projects	Special Revenue Fund - TIF #6	1,318,012	1,318,012
Village Projects	Special Revenue Fund - TIF #7	<u>10,231</u>	10,231
Subtotal - Fund financial statements		1,382,482	
Less: Fund eliminations		<u>(1,382,482)</u>	
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ -</u>	

**VILLAGE OF HARTLAND**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2023

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

***D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)***

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Enterprise Fund - Water Utility	\$ 164,241	Payment of tax equivalent.
General Fund	Enterprise Fund - Sewer Utility	5,418	Payment of tax equivalent.
Capital Projects Fund Corporate Reserve	General Fund	385,913	Provide financing for the purchase of equipment
Capital Projects Fund Village Projects	Special Revenue Fund - TIF #5	4,800	Transfer of fund balance
Debt Service Fund	Special Revenue Fund - Impact Fees	<u>105,102</u>	Provide funding for current debt service
Subtotal - Fund financial statements		665,474	
Less: Fund eliminations		<u>(495,815)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 169,659</u>	
<u>Entity Transferred To</u>	<u>Entity Transferred From</u>		
Governmental Activities	Business-Type Activities	<u>\$ 169,659</u>	

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

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### **E. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 16,910,000	\$ 3,235,000	\$ 1,395,000	\$ 18,750,000	\$ 1,545,000
General obligation debt from direct borrowings and direct placements	350,000	-	70,000	280,000	70,000
Add/(Subtract) Deferred Amounts For (Discounts)/Premiums	824,568	127,852	52,498	899,922	-
Sub-total	18,084,568	3,362,852	1,517,498	19,929,922	1,615,000
Other Liabilities					
Net pension liability	-	1,427,349	-	1,427,349	-
Net OPEB liability - Life	344,426	-	148,282	196,144	-
Total OPEB liability - Health	278,694	-	45,804	232,890	-
Compensated absences	460,587	303,716	295,150	469,153	223,923
Sub-total	1,083,707	1,731,065	489,236	2,325,536	223,923
Total Governmental Activities					
Long-Term Liabilities	\$ 19,168,275	\$ 5,093,917	\$ 2,006,734	\$ 22,255,458	\$ 1,838,923
<b>Business-type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 2,540,000	\$ -	\$ 270,000	\$ 2,270,000	\$ 280,000
Revenue bonds from direct borrowings and direct placements	332,537	-	332,537	-	-
Add/(Subtract) Deferred Amounts For (Discounts)/Premiums	90,691	-	12,841	77,850	-
Sub-total	2,963,228	-	615,378	2,347,850	280,000
Other Liabilities					
Net pension liability	-	156,058	-	156,058	-
Net OPEB liability - Life	54,749	-	16,234	38,515	-
Total OPEB liability - Health	35,095	-	5,282	29,813	-
Compensated absences	86,845	62,793	56,914	92,724	35,963
Sub-total	176,689	218,851	78,430	317,110	35,963
Total Business-type Activities					
Long-Term Liabilities	\$ 3,139,917	\$ 218,851	\$ 693,808	\$ 2,664,960	\$ 315,963

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### **E. LONG-TERM OBLIGATIONS** (cont.)

##### **General Obligation Debt** (cont.)

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2023, was \$99,758,405. Total general obligation debt outstanding at year end was \$21,300,000.

<u>Type/Series</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance 12/31/2023</u>
<u>Governmental Activities</u>					
General Obligation Debt					
2013	12/05/13	6/1/30	2.5-3.3%	\$ 4,935,000	\$ 2,580,000
2015	11/03/15	10/1/35	2.5-3.0	2,460,000	1,950,000
2017	8/1/17	8/1/27	1.75	700,000	280,000
2017	12/05/17	11/1/37	3.0-3.25	5,420,000	3,690,000
2019	12/12/19	12/1/39	2.0-4.0	3,650,000	2,895,000
2021	11/23/21	12/1/41	2.0-3.0	5,225,000	4,400,000
2023	12/14/23	6/1/43	4.0-5.0	3,235,000	<u>3,235,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 19,030,000</u>
<u>Business-type Activities</u>					
General Obligation Debt					
2015	11/03/15	10/1/31	2.5-3.0%	\$ 515,000	\$ 120,000
2019	12/12/19	12/1/39	2.0-4.0	1,550,000	1,215,000
2021	11/23/21	12/1/31	2.0-3.0	1,205,000	<u>935,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 2,270,000</u>

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### **E. LONG-TERM OBLIGATIONS** (cont.)

##### **General Obligation Debt** (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities					
	General Obligation Debt			General Obligation Debt Direct Placement		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,545,000	\$ 562,192	\$ 2,107,192	\$ 70,000	\$ 4,982	\$ 74,982
2025	1,705,000	512,275	2,217,275	70,000	3,726	73,726
2026	1,480,000	458,338	1,938,338	70,000	2,484	72,484
2027	1,485,000	408,788	1,893,788	70,000	1,242	71,242
2028	1,540,000	358,238	1,898,238	-	-	-
2029-2033	5,730,000	1,176,875	6,906,875	-	-	-
2034-2038	3,600,000	515,750	4,115,750	-	-	-
2039-2043	1,665,000	116,368	1,781,368	-	-	-
Totals	<u>\$ 18,750,000</u>	<u>\$ 4,108,824</u>	<u>\$ 22,858,824</u>	<u>\$ 280,000</u>	<u>\$ 12,434</u>	<u>\$ 292,434</u>

Years	Business-type Activities		
	General Obligation Debt		
	Principal	Interest	Total
2024	\$ 280,000	\$ 58,950	\$ 338,950
2025	285,000	49,750	334,750
2026	175,000	41,200	216,200
2027	180,000	35,100	215,100
2028	180,000	28,900	208,900
2029-2033	725,000	80,753	805,753
2034-2038	370,000	29,981	399,981
2039	75,000	890	75,890
Totals	<u>\$ 2,270,000</u>	<u>\$ 325,524</u>	<u>\$ 2,595,524</u>

##### **Revenue Bond Debt**

The Village has issued Clean Water Fund Revenue Bonds in the amount of \$5,000,000 for expansion and upgrade of the sewerage treatment facility owned and operated by the Delafield-Hartland Water Pollution Control Commission (DHWPC). The proceeds of the bonds have been loaned to the DHWPCC. The loan receivable between the Village and DHWPCC is equal to the related debt service requirements. The final principal and interest payment was made in 2023 and is now a balance of zero. Principal and interest paid on the debt during the year was \$337,109.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

---

#### ***E. LONG-TERM OBLIGATIONS*** (cont.)

##### ***Other Debt Information***

Estimated payments of compensated absences, pension and OPEB liabilities are not included in the debt service requirement schedules. The compensated absences, pension and OPEB liabilities attributable to governmental activities will be liquidated primarily by the general fund.

The Village's outstanding notes from direct borrowings and/or direct placements related to governmental activities of \$280,000 contain a provision that in an event of default, outstanding amounts become immediately due and payable.

#### ***F. LESSOR – LEASE RECEIVABLE***

The Village has the following Lessor lease receivables:

##### Governmental Activities - General Fund

<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Receivable Balance</u>
AT&T - Hill St. Tower Lease	5/23/16	5/23/51	2.00%	\$ 645,326
Dish - Hill St. Tower Lease	11/6/23	12/31/32	3.00	286,825
Sprint - Hill St. Tower Lease	9/30/22	9/30/32	3.00	223,396
T-Mobile - Coventry Tower Lease	12/1/00	12/31/24	3.00	39,850
Verizon - Coventry Tower Lease	7/12/17	12/31/41	3.00	367,829
Total Lessor Lease Receivable				<u>\$ 1,563,226</u>

The governmental activities of the Village recognized \$92,690 in lease revenue and \$48,983 in lease interest revenue during the year.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

---

#### **G. NET POSITION/FUND BALANCES (DEFICITS)**

Net position reported on the government wide statement of net position at December 31, 2023 includes the following:

#### **Governmental Activities**

Net Investment in Capital Assets	
Land	\$ 612,637
Construction in progress	12,658
Capital assets, net of accumulated depreciation/amortization	29,079,528
Less: capital related long-term debt outstanding	(19,030,000)
Plus: unspent capital related debt proceeds	3,771,734
Less: unamortized premium/discount	<u>(899,922)</u>
Total Net Investment in Capital Assets	<u>13,546,635</u>
Restricted for:	
Library	99,670
Impact fees	603,402
Developer fund	26,843
ARPA	59,471
Debt Service	<u>193,082</u>
Total Restricted	<u>982,468</u>
Unrestricted	<u>9,032,309</u>
Total Governmental Activities Net Position	<u>\$ 23,561,412</u>

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

---

#### **G. NET POSITION/FUND BALANCES (DEFICITS) (cont.)**

##### **Governmental Funds**

Governmental fund balances reported on the fund financial statements at December 31, 2023, include the following:

<b>Nonspendable</b>	
Major Fund	
General Fund	
Prepaid items	\$ 3,007
Non-current receivables	1,088
Total	<u>\$ 4,095</u>
Capital Projects Fund	
Village Projects - non-current receivables	<u>\$ 1,382,482</u>
<b>Restricted</b>	
Major Funds	
Debt Service Fund	<u>\$ 260,339</u>
Capital Projects Fund - Village Projects - Unspent bond proceeds	<u>\$ 3,771,734</u>
Non-Major Funds	
Special Revenue Funds	
Special Library Fund	<u>\$ 99,670</u>
American Rescue Plan Act Fund	<u>\$ 59,471</u>
Impact Fees Fund	<u>\$ 603,402</u>
Capital Projects Fund	
Developers Fund	<u>\$ 26,843</u>
<b>Committed</b>	
Non-Major Funds	
Special Revenue Funds	
Refuse and Garbage Collection Fund	<u>\$ 78,474</u>
Major Incident Task Force Fund	<u>\$ 19,830</u>

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

---

#### **G. NET POSITION/FUND BALANCES (DEFICITS) (cont.)**

##### **Governmental Funds (cont.)**

##### **Assigned**

##### Major Funds

##### General Fund

Future asset purchases	\$	522,774
Future assessment		171,200
Comprehensive planning		74,622
GIS system		22,421
Veterans memorial		1,399
Employee benefits		469,153
Recreation and celebrations		73,915
Municipal donations		5,361
Fine arts		10,581
Heritage Grant		100
Police armored vest		10,214
Cemetery perpetual care		75,277
Subdivision trees		42,108
Police donations		8,147
Ambulance donations		6,759

Total \$ 1,494,031

##### Capital Projects Funds

##### Village Projects

Boardwalk	\$	149,031
Future development		4,800
Community center development		50,000
Library development		50,843
Future road projects		70,720
Fees in lieu of dedication		56,183

Total \$ 381,577

Corporate Reserve \$ 1,517,195

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2023

---

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

---

**G. NET POSITION/FUND BALANCES (DEFICITS) (cont.)**

**Governmental Funds (cont.)**

**Unassigned (Deficits)**

Major Funds	
General Fund	\$ 5,103,881
Special Revenue Funds	
TIF #4	\$ (54,239)
TIF #6	\$ (1,318,012)
TIF #7	\$ (10,231)
Total Governmental Fund Balances (Deficits)	<u>\$ 13,420,542</u>

**Business-Type Activities**

Net Investment in Capital Assets	
Land	\$ 132,771
Construction in progress	14,955
Other Capital assets, net of accumulated depreciation	17,547,183
Less: Capital related long-term debt outstanding	(2,270,000)
Less: unamortized premium	<u>(77,850)</u>
Total Net Investment in Capital Assets	<u>15,347,059</u>
Unrestricted	<u>8,694,631</u>
Total Net Position	<u>\$ 24,041,690</u>

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

---

#### **H. COMPONENT UNIT**

This report contains the Hartland Business Improvement District (BID), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to the financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The BID follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year end, the carrying amount of the BID's deposits was \$57,015 and is part of the Village's commingled cash. See Note III.A.

---

### NOTE IV – OTHER INFORMATION

---

#### **A. EMPLOYEES' RETIREMENT SYSTEM**

##### **General Information About the 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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Annual Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

**Vesting.** For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE IV – OTHER INFORMATION (cont.)

---

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings 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 age 55 (50 for protective occupation employees) 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.

**Post-Retirement 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>
2013	(9.6)%	9%
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15.0

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE IV – OTHER INFORMATION (cont.)

---

#### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**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 January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$351,363 in contributions from the Village.

Contribution rates for the plan year reported as of December 31, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (executives and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%

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

At December 31, 2023, the Village reported a liability of \$1,583,407 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. 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, 2022, the Village's proportion was .02988857% which was an increase of .00022066% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized pension expense of \$756,596.

## VILLAGE OF HARTLAND

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

#### NOTE IV – OTHER INFORMATION (cont.)

##### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2023, the Village reported deferred outflows of resources related to pensions and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Summary of deferred outflows and inflows		
Differences between projected and actual experiences	\$ 2,521,878	\$ 3,313,181
Changes of actuarial assumptions	311,363	-
Net differences between projected and actual earnings on pension plan investments	2,689,845	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,624	8,948
Employer contributions subsequent to the measurement date	400,207	-
Totals	\$ 5,926,917	\$ 3,322,129

\$400,207 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2024	\$ 91,257
2025	455,735
2026	466,845
2027	1,190,744

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE IV – OTHER INFORMATION (cont.)

---

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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, 2021
Measurement date of net pension liability	December 31, 2022
Experience study	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial cost method	Entry age
Asset valuation method	Fair Value
Long-term expected rate of return	6.8%
Discount rate	6.8%
Salary increases	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Post Retirement adjustments*	1.7%

\* No post-retirement 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 post-retirement 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, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

## VILLAGE OF HARTLAND

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

#### NOTE IV – OTHER INFORMATION (cont.)

##### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Asset Allocation Targets and Expected Returns <sup>1</sup> As of December 31, 2022	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % <sup>2</sup>
Core Fund Asset Class			
Public Equity	48%	7.6%	5.0%
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund <sup>3</sup>	115	7.4	4.8
Variable Fund Asset Class			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

<sup>1</sup> Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

<sup>2</sup> New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

<sup>3</sup> The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range up to 20%

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

### NOTE IV – OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Single Discount rate.** A single discount rate of 6.80% was used to measure the total pension liability for the current and prior year. This discount rate was based on expected rate of return on pension plan investments of 6.80 percent and a municipal bond rate of 4.05 percent (source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's Index's "20-year Municipal GO AA Index" as of December 31, 2022. 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 6.80% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

**Sensitivity of the Village's proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) 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)	<u>\$ 5,255,279</u>	<u>\$ 1,583,407</u>	<u>\$ (942,524)</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>

At December 31, 2023, the Village reported a payable to the pension plan of \$50,977, which represents contractually required contributions outstanding as of the end of the year.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE IV – OTHER INFORMATION (cont.)

---

#### ***B. LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)***

**Plan description.** The LRLIF is a multiple-employer, defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Life Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

**OPEB Plan Fiduciary Net Position.** ETF issues a standalone Annual Comprehensive Annual Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at the link above.

**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.** The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

**Contributions.** The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates for the plan year reported as of December 31, 2023 are:

<b>Coverage Type</b>	<b>Employer Contributions</b>
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

## VILLAGE OF HARTLAND

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

#### NOTE IV – OTHER INFORMATION (cont.)

---

##### ***B. LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)***

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the plan year are as listed below:

Life Insurance Member Contribution Rates For the Plan Year		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$1,235 in contributions from the employer.

##### ***OPEB Liability, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs***

At December 31, 2023, the Village reported a liability of \$234,659 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the Village's proportion was 0.0615930000% which was a decrease of 0.00594500% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized OPEB expense of \$12,582.

## VILLAGE OF HARTLAND

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

#### **NOTE IV – OTHER INFORMATION (cont.)**

#### ***B. LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)***

At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 22,966
Net Differences between projected and investment earnings on plan investments	4,403	-
Changes in actuarial assumptions	84,308	138,512
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	41,249
Employer contributions subsequent to the measurement date	6,817	-
Total	\$ 95,528	\$ 202,727

\$6,817 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2024	\$ (14,998)
2025	(15,911)
2026	(9,684)
2027	(20,073)
2028	(28,461)
Thereafter	(24,889)

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE IV – OTHER INFORMATION (cont.)

---

#### **B. LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)**

**Actuarial assumptions.** The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield *	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation:	3.00%
Seniority/Merit	0.10-5.6%
Mortality:	2020 WRS Experience Mortality Table

\*Based on the Bond Buyers GO index.

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

**Long-term expected return on plan assets.** The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

## VILLAGE OF HARTLAND

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

#### NOTE IV – OTHER INFORMATION (cont.)

#### **B. LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)**

State OPEB Life Insurance  
Asset Allocation Targets and Expected Returns  
As of December 31, 2022

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
US Intermediate Credit Bonds	Bloomberg US Interm Credit	50%	2.45%
US Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25 percent. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

**Single discount rate.** A single discount rate of 3.76 percent was used to measure the total OPEB liability for the current year, as opposed to the discount rate of 2.17 percent for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06 percent as of December 31, 2021 to 3.72 percent as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

## VILLAGE OF HARTLAND

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

#### NOTE IV – OTHER INFORMATION (cont.)

##### **B. LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)**

**Sensitivity of the Village's proportionate share of the net OPEB liability to changes in the discount rate.** The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 3.76 percent, as well as what the village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76 percent) or 1-percentage-point higher (4.76 percent) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
Village's proportionate share of the net OPEB liability	\$ 319,932	\$ 234,659	\$ 169,306

##### **C. RETIREE HEALTH INSURANCE BENEFIT**

**Plan description.** The Village's defined benefit OPEB plan, Retiree Benefits Plan, provides OPEB for all permanent full-time employees of the Village. The Village's retiree health insurance plan is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements of the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Benefits provided.** The Village's retiree health insurance plan provides healthcare for retirees and their dependents. The benefit terms provide for payment of 100 percent of health insurance premiums for non-Medicare-eligible retirees and 100 percent of supplemental health insurance premiums for Medicare-eligible retirees.

**Employees covered by benefit terms.** At December 31, 2021, the following employees were covered by the benefit terms:

Retirees currently receiving benefit payments	11
Active plan members	46
Total	57

##### **Total OPEB Liability**

The Village's total OPEB liability of \$262,703 was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2021.

## VILLAGE OF HARTLAND

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

#### NOTE IV – OTHER INFORMATION (cont.)

##### **C. RETIREE HEALTH INSURANCE BENEFIT** (cont.)

**Actuarial assumptions and other inputs.** The total OPEB liability in the December 31, 2022 actuarial valuation date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	5 percent, average, including inflation
Healthcare cost trend rates	6.5% decreasing by 0.10% per year down to 5.0%, and level thereafter
Retirees' share of benefit-related costs	Zero percent

The discount rate was based on Bond Buyer 20-Bond Go Index.

Mortality rates were based on the Wisconsin 2018 Mortality Table.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017.

##### **Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at 12/31/2022	\$ 313,789
Changes for the year:	
Service Cost	12,062
Interest	6,437
Differences between expected and actual experience	31,292
Changes in assumptions or other inputs	(33,375)
Benefit Payments	(67,502)
Net Changes	(51,086)
Balance at 12/31/2023	\$ 262,703

## VILLAGE OF HARTLAND

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

#### NOTE IV – OTHER INFORMATION (cont.)

##### **C. RETIREE HEALTH INSURANCE BENEFIT (cont.)**

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the discount rate:

	1% Decrease (3.25%)	Discount Rate (4.25%)	1% Increase (5.25%)
Total OPEB Liability	\$ 276,524	\$ 262,703	\$ 249,748

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower (5.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (7.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (5.5% Decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% decreasing to 5.0%)	1% Increase (7.5% Decreasing to 6.0%)
Total OPEB Liability	\$ 251,806	\$ 262,703	\$ 274,756

##### **OPEB Expense and Deferred Outflows of Resources Related to OPEB**

For the year ended December 31, 2023, the Village recognized \$42,983 of OPEB expense. At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 171,617	\$ -
Changes of assumptions or other inputs	21,403	33,017
Employer Contributions - subsequent to measurement date	27,697	-
Total	\$ 220,717	\$ 33,017

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE IV – OTHER INFORMATION (cont.)

---

#### **C. RETIREE HEALTH INSURANCE BENEFIT** (cont.)

\$27,697 reported as deferred outflows related to OPEB resulting from the Retiree Health Insurance Benefit Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2024	\$ 24,484
2025	24,484
2026	24,484
2027	24,484
2028	24,484
Thereafter	37,583

#### **D. RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The Village purchases commercial insurance to provide coverage for losses from torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees. However, risks related to dental care of its employees are accounted for and financed by the Village in an internal service fund.

##### **Self Insurance**

For dental claims, the uninsured risk of loss is \$1,500 per incident and \$1,500 in aggregate for a policy year. All funds of the Village participate in the risk management program. Amounts payable to the internal service fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses.

All funds of the Village participate in the risk management programs. Amounts payable to the Dental fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. \$246,102 was assigned for that reserve at year end, and is included in unrestricted net position of the internal service fund.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The Village does not allocate overhead costs or other non-incremental costs to the claims liability.

# VILLAGE OF HARTLAND

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

### NOTE IV – OTHER INFORMATION (cont.)

---

#### **D. RISK MANAGEMENT (cont.)**

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims – Beginning of Year	\$ 3,111	\$ 7,167
Current year claims and changes in estimates	53,401	63,986
Claim payments	<u>(49,345)</u>	<u>(62,015)</u>
Unpaid Claims – End of Year	<u>\$ 7,167</u>	<u>\$ 9,138</u>

#### **E. COMMITMENTS AND CONTINGENCIES**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the Village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

The Village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

#### **F. MUNICIPAL REVENUE OBLIGATIONS**

In 2016, the Village issued a municipal revenue obligation as part of a development agreement. The amount of the obligation is \$1.222 million, and is payable to the developer solely from tax increments collected from a specific development in TIF #6.

The obligation will be repaid with 90% of the TIF #6 increment annually. The obligation matures upon the earlier of 2034 or payment in full of the municipal revenue obligation. In no case, shall the term of this obligation and the Village's obligation to make payments, extend beyond 2034, nor shall the amount of principal to be paid under the obligation exceed \$1.222 million.

The obligation does not constitute a charge upon any funds of the Village. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the Village. Since the amount of future payments is contingent on the collection of future tax increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end is \$443,583.

## VILLAGE OF HARTLAND

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

---

#### **NOTE IV – OTHER INFORMATION (cont.)**

---

##### **G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

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

- Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*

When they become effective, application of these standards may restate portions of these financial statements.

##### **H. JOINT VENTURES**

###### ***Delafield-Hartland Water Pollution Control Commission***

The Delafield-Hartland Water Pollution Control Commission (Commission) was created for the purpose of providing sewage collection, treatment and distribution services. The Commission was created in 1971 by ordinances adopted by the City of Delafield and the Village of Hartland. Each municipality appoints 4 members to the commission. The Commission issued sewer revenue bonds in September 1978 (refinanced in 1992) for the purpose of constructing wastewater treatment facilities. The Commission issues separate financial statements and copies can be obtained by writing to them.

The Commission has entered into service contracts with the City of Delafield and the Villages of Hartland and Nashotah to treat wastewater. The contract requires monthly user charges based on the number of Domestic User Equivalent (DUE's) connected to the system. The municipalities are also required to pay connection charges for new customers added to the system. The Village of Hartland sewer utility accrued \$974,503 in user charges for the year ended December 31, 2023. As of December 31, 2023, the Village has a liability accrued of \$177,754 for connection fees.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF HARTLAND**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL (NON - GAAP)

GENERAL FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 4,974,876	\$ 4,974,876	\$ 4,974,876	\$ -
Intergovernmental	1,550,325	1,550,325	1,660,733	110,408
Licenses and permits	215,000	215,000	279,463	64,463
Fines, forfeitures and penalties	84,000	84,000	83,945	(55)
Public charges for services	743,417	743,417	933,600	190,183
Interdepartmental revenue	110,000	110,000	119,576	9,576
Investment income	35,000	380,800	358,394	(22,406)
Lease interest income	32,310	32,310	48,983	16,673
Lease revenue	92,690	92,690	92,690	-
Miscellaneous revenues	24,477	24,477	3,118	(21,359)
Total Revenues	<u>7,862,095</u>	<u>8,207,895</u>	<u>8,555,378</u>	<u>347,483</u>
<b>EXPENDITURES</b>				
Current				
General government	945,927	1,291,727	975,732	315,995
Police	2,865,819	2,865,819	2,804,494	61,325
Fire protection	990,005	990,005	1,141,523	(151,518)
Public works	1,548,246	1,548,246	1,509,726	38,520
Library	726,650	726,650	717,561	9,089
Parks	407,440	407,440	598,265	(190,825)
Conservation and development	119,700	119,700	131,202	(11,502)
Capital Outlay	82,895	82,895	24,400	58,495
Total Expenditure	<u>7,686,682</u>	<u>8,032,482</u>	<u>7,902,903</u>	<u>129,579</u>
Excess of revenues over expenditures	<u>175,413</u>	<u>175,413</u>	<u>652,475</u>	<u>477,062</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	500	500	2,696	2,196
Transfers in	210,000	210,000	169,659	(40,341)
Transfers out	(385,913)	(385,913)	(385,913)	-
Total Other Financing Sources (Uses)	<u>(175,413)</u>	<u>(175,413)</u>	<u>(213,558)</u>	<u>(38,145)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>438,917</u>	<u>\$ 438,917</u>
<b>Adjustment to Generally Accepted Accounting Principles Basis</b>				
Appropriations credited to designated funds			12,125	
Revenue credited to designated funds			148,527	
Expenditures charged to designated funds			<u>(132,399)</u>	
Net change in fund balances - GAAP			467,170	
FUND BALANCES - Beginning of Year			<u>6,134,837</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 6,602,007</u>	

## VILLAGE OF HARTLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE - TIF #4 FUND  
For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 21,500	\$ 22,276	\$ 776
Intergovernmental	440	544	104
Public improvement revenues	-	4,313	4,313
Total Revenues	21,940	27,133	5,193
<b>EXPENDITURES</b>			
Current			
General government	170	178	(8)
Conservation and development	150	150	-
Total Expenditures	320	328	(8)
<b>Net Change in Fund Balance</b>	<b>\$ 21,620</b>	<b>26,805</b>	<b>\$ 5,185</b>
FUND BALANCES (DEFICIT) - Beginning of Year		(81,044)	
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>		<b>\$ (54,239)</b>	

## VILLAGE OF HARTLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 SPECIAL REVENUE - TIF #5 FUND  
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 15,850	\$ 15,402	\$ (448)
Intergovernmental	305	181	(124)
Total Revenues	16,155	15,583	(572)
<b>EXPENDITURES</b>			
Current			
General government	170	3,679	(3,509)
Conservation and development	15,985	7,104	8,881
Total Expenditures	16,155	10,783	5,372
<b>Excess of revenues over expenditures</b>	-	4,800	4,800
<b>OTHER FINANCING USES</b>			
Transfers out	-	(4,800)	(4,800)
<b>Net Change in Fund Balance</b>	\$ -	-	\$ -
FUND BALANCES - Beginning of Year		-	
<b>FUND BALANCES - END OF YEAR</b>		\$ -	

## VILLAGE OF HARTLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 SPECIAL REVENUE - TIF #6 FUND  
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 172,600	\$ 154,093	\$ (18,507)
<b>EXPENDITURES</b>			
Current			
General government	170	178	(8)
Conservation and development	155,490	138,834	16,656
Total Expenditures	155,660	139,012	16,648
<b>Net Change in Fund Balance</b>	<b>\$ 16,940</b>	<b>15,081</b>	<b>\$ (1,859)</b>
FUND BALANCES (DEFICIT) - Beginning of Year		(1,333,093)	
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>		<b>\$ (1,318,012)</b>	

## VILLAGE OF HARTLAND

### SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2023

WRS Year End Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
12/31/14	0.028203030%	\$ (692,744)	\$ 3,224,004	21.49%	102.74%
12/31/15	0.027710050%	450,282	3,278,242	13.74%	98.20%
12/31/16	0.027789430%	229,051	3,481,061	6.58%	99.12%
12/31/17	0.028044680%	(832,679)	3,350,299	24.85%	102.93%
12/31/18	0.028469140%	1,012,842	3,425,903	29.56%	96.45%
12/31/19	0.028610970%	(922,548)	3,593,500	25.67%	102.96%
12/31/20	0.029201130%	(1,823,067)	3,667,060	49.71%	105.26%
12/31/21	0.029667910%	(2,391,288)	3,731,075	64.09%	106.02%
12/31/22	0.029888570%	1,583,407	3,811,390	41.54%	95.72%

## VILLAGE OF HARTLAND

### SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2023

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 264,330	\$ (264,330)	\$ -	\$ 3,278,242	8.06%
12/31/16	275,377	(275,377)	-	3,481,061	7.91%
12/31/17	288,348	(288,348)	-	3,350,299	8.61%
12/31/18	296,613	(296,613)	-	3,425,903	8.66%
12/31/19	308,238	(308,238)	-	3,593,500	8.58%
12/31/20	339,429	(339,429)	-	3,667,060	9.26%
12/31/21	349,713	(349,713)	-	3,731,075	9.37%
12/31/22	352,117	(352,117)	-	3,811,390	9.24%
12/31/23	400,207	(400,207)	-	3,977,565	10.06%

## VILLAGE OF HARTLAND

### SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - LOCAL RETIREE LIFE INSURANCE FUND For the Year Ended December 31, 2023

Plan Year End Date	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
12/31/17	0.077216000%	\$ 232,311	\$ 3,247,154	7.15%	44.81%
12/31/18	0.072708000%	187,611	3,471,000	5.41%	48.69%
12/31/19	0.070928000%	302,025	3,462,000	8.72%	37.58%
12/31/20	0.070670000%	388,736	3,584,000	10.85%	31.36%
12/31/21	0.067538000%	399,175	3,638,000	10.97%	29.57%
12/31/22	0.061593000%	234,659	3,695,000	6.35%	38.81%

## VILLAGE OF HARTLAND

### SCHEDULE OF EMPLOYER CONTRIBUTIONS - LOCAL RETIREE LIFE INSURANCE FUND For the Year Ended December 31, 2023

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/18	\$ 7,720	\$ (7,720)	\$ -	\$ 3,471,000	0.22%
12/31/19	8,366	(8,366)	-	3,593,500	0.23%
12/31/20	8,439	(8,439)	-	3,667,060	0.23%
12/31/21	7,991	(7,991)	-	3,731,075	0.21%
12/31/22	7,366	(7,366)	-	3,811,390	0.19%
12/31/23	6,817	(6,817)	-	3,977,565	0.17%

**VILLAGE OF HARTLAND**

SCHEDULE OF CHANGES IN THE VILLAGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
For the Year Ended December 31, 2023

	2018	2019	2020	2021	2022	2023
<b>Total OPEB Liability</b>						
Prior year activity	\$ 138,461	\$ -	\$ -	\$ -		
Service cost	7,084	7,084	6,511	10,740	\$ 11,927	\$ 12,062
Interest	4,738	4,710	4,651	6,370	4,972	6,437
Differences between expected and actual experience	-	-	103,133	-	104,957	31,292
Changes of assumptions	-	(3,944)	31,151	6,145	(858)	(33,375)
Benefit payments	(13,249)	(11,994)	(39,763)	(24,622)	(44,415)	(67,502)
<b>Net Change in Total OPEB Liability</b>	<u>137,034</u>	<u>(4,144)</u>	<u>105,683</u>	<u>(1,367)</u>	<u>76,583</u>	<u>(51,086)</u>
<b>Total OPEB Liability - Beginning</b>	<u>-</u>	<u>137,034</u>	<u>132,890</u>	<u>238,573</u>	<u>237,206</u>	<u>313,789</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 137,034</u>	<u>\$ 132,890</u>	<u>\$ 238,573</u>	<u>\$ 237,206</u>	<u>\$ 313,789</u>	<u>\$ 262,703</u>
<b>Covered-employee payroll</b>	\$ 3,021,051	\$ 3,021,051	\$ 3,362,550	\$ 3,362,550	\$ 3,669,881	\$ 3,669,881
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	4.54%	4.40%	7.10%	7.05%	8.55%	7.16%

**VILLAGE OF HARTLAND**

SCHEDULE OF VILLAGE'S OPEB CONTRIBUTIONS  
For the Year Ended December 31, 2023

	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 13,249	\$ 11,994	\$ 39,763	\$ 24,622	\$ 44,415	\$ 67,502
Contributions in relation to the actuarially determined contribution	<u>13,249</u>	<u>11,994</u>	<u>39,763</u>	<u>24,622</u>	<u>44,415</u>	<u>67,502</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Covered-employee payroll	\$ 3,301,608	\$ 3,346,545	\$ 3,529,611	\$ 3,411,031	\$ 3,557,007	\$ 3,642,366
Contributions as a percentage of covered-employee payroll	0.40%	0.36%	1.13%	0.72%	1.25%	1.85%

**Notes to Schedule**

**Valuation date:**

Actuarially determined contribution rates are calculated as of December 31, 2021

## VILLAGE OF HARTLAND

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended December 31, 2023

---

#### ***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C., except actual (non-GAAP) revenues and expenditures do not reflect certain transactions of designated funds.

The budgeted amounts presented include any amendments made. The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds Village Board action.

Appropriations lapse at year end unless specifically carried over. Budgets are adopted at the function level of expenditure.

#### ***WISCONSIN RETIREMENT SYSTEM (WRS) PENSION***

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

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

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

*Changes in assumptions.* Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate 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 post-retirement 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

## VILLAGE OF HARTLAND

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended December 31, 2023

---

#### ***LOCAL RETIREE LIFE INSURANCE FUND***

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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

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

*Changes in assumptions.* In addition to the rate changes detailed in the footnotes, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the WRS. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the Wisconsin 2020 WRS Experience Mortality Table

#### ***RETIREE HEALTH BENEFIT***

*Changes in benefit terms.* There were no changes of benefit terms for the Retiree Health Benefit Plan.

*Changes in assumptions.* The Single Discount Rate assumption used to develop Total OPEB liability changed from the prior year. Please refer to the Actuarial Assumptions section in Note IV, C.

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

**S U P P L E M E N T A R Y   I N F O R M A T I O N**

## VILLAGE OF HARTLAND

### NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET As of December 31, 2023

	Special Revenue Funds		
	Refuse and Garbage Collection	Special Library	Impact Fees
<b>ASSETS</b>			
Cash and investments	\$ 122,401	\$ 99,670	\$ 603,402
Receivables			
Taxes	556,510	-	-
<b>TOTAL ASSETS</b>	<b>\$ 678,911</b>	<b>\$ 99,670</b>	<b>\$ 603,402</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 43,927	\$ -	\$ -
Unearned revenues	-	-	-
Deferred inflows of resources			
Unearned revenues	556,510	-	-
Total Liabilities and Deferred Inflows of Resources	600,437	-	-
Fund Balances			
Restricted	-	99,670	603,402
Committed	78,474	-	-
Total Fund Balances	78,474	99,670	603,402
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 678,911</b>	<b>\$ 99,670</b>	<b>\$ 603,402</b>

Special Revenue Funds		Capital Projects Fund	
American Rescue Plan Act	Major Incident Task Force	Developers	Totals
\$ 1,034,982	\$ 19,830	\$ 29,729	\$ 1,910,014
-	-	-	556,510
<u>\$ 1,034,982</u>	<u>\$ 19,830</u>	<u>\$ 29,729</u>	<u>\$ 2,466,524</u>
\$ -	\$ -	\$ 2,886	\$ 46,813
975,511	-	-	975,511
-	-	-	556,510
<u>975,511</u>	<u>-</u>	<u>2,886</u>	<u>1,578,834</u>
59,471	-	26,843	789,386
-	19,830	-	98,304
<u>59,471</u>	<u>19,830</u>	<u>26,843</u>	<u>887,690</u>
<u>\$ 1,034,982</u>	<u>\$ 19,830</u>	<u>\$ 29,729</u>	<u>\$ 2,466,524</u>

## VILLAGE OF HARTLAND

### NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2023

	Special Revenue Funds		
	Refuse and Garbage Collection	Special Library	Impact Fees
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Public charges for services	553,807	-	75,748
Public improvement revenues	-	6,303	-
Investment income	16,191	4,517	31,877
Total Revenues	569,998	10,820	107,625
<b>EXPENDITURES</b>			
Current			
Police	-	-	-
Health and human services	557,787	-	-
Library	-	3,810	-
Capital Outlay	-	-	180,827
Total Expenditure	557,787	3,810	180,827
Excess (deficiency) of revenues over expenditures	12,211	7,010	(73,202)
<b>OTHER FINANCING USES</b>			
Transfers out	-	-	(105,102)
Total Other Financing Uses	-	-	(105,102)
<b>Net Change in Fund Balances</b>	12,211	7,010	(178,304)
FUND BALANCES - Beginning of Year	66,263	92,660	781,706
<b>FUND BALANCES - END OF YEAR</b>	\$ 78,474	\$ 99,670	\$ 603,402

<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>		
<u>American Rescue Plan Act</u>	<u>Major Incident Task Force</u>	<u>Developers</u>	<u>Totals</u>	
\$ -	\$ 2,800	\$ -	\$	2,800
-	-	22,331		651,886
-	-	-		6,303
<u>48,406</u>	<u>-</u>	<u>-</u>		<u>100,991</u>
<u>48,406</u>	<u>2,800</u>	<u>22,331</u>		<u>761,980</u>
-	4,450	-		4,450
-	-	-		557,787
-	-	-		3,810
-	-	11,744		192,571
<u>-</u>	<u>4,450</u>	<u>11,744</u>		<u>758,618</u>
<u>48,406</u>	<u>(1,650)</u>	<u>10,587</u>		<u>3,362</u>
<u>-</u>	<u>-</u>	<u>-</u>		<u>(105,102)</u>
<u>-</u>	<u>-</u>	<u>-</u>		<u>(105,102)</u>
48,406	(1,650)	10,587		(101,740)
<u>11,065</u>	<u>21,480</u>	<u>16,256</u>		<u>989,430</u>
<u>\$ 59,471</u>	<u>\$ 19,830</u>	<u>\$ 26,843</u>	<u>\$</u>	<u>887,690</u>

## VILLAGE OF HARTLAND

STATEMENT OF CASH FLOWS  
COMPONENT UNIT  
For the Year Ended December 31, 2023

---

	Business Improvement District
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Payments to vendors	\$ (50,618)
Payments to employees	<u>(31,876)</u>
Net Cash Flows From Operating Activities	<u>(82,494)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Taxes levied	74,800
Donation	3,425
Contribution from municipality	<u>1,125</u>
Net Cash Flows From Noncapital Financing Activities	<u>79,350</u>
<b>Net Change in Cash and Cash Equivalents</b>	(3,144)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>60,159</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 57,015</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating loss	\$ (84,934)
Changes in assets and liabilities	
Accounts payable	<u>2,440</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ (82,494)</u>

**VILLAGE OF HARTLAND**

**SUMMARY OF GOVERNMENTAL ACTIVITIES LONG-TERM DEBT**

As of December 31, 2023

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Principal Payable</u>	<u>Interest Payable</u>	<u>Original Amount</u>	<u>Balance Outstanding 12/31/2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance Outstanding 12/31/2023</u>	<u>Interest Paid</u>	<u>Principal Due 2024</u>
General Obligation Debt	12/05/13	2.5-3.3	06/1/14-30	6/1 & 12/1	4,935,000	\$ 2,910,000	\$ -	\$ 330,000	\$ 2,580,000	\$ 86,263	\$ 355,000
	11/03/15	2.5-3.0	10/1/17-35	4/1 & 10/1	2,460,000	2,035,000	-	85,000	1,950,000	59,550	85,000
	08/01/17	1.75	8/1/18-27	2/1 & 8/1	700,000	350,000	-	70,000	280,000	6,210	70,000
	12/05/17	3.0-3.25	11/1/18-37	5/1 & 11/1	5,420,000	4,025,000	-	335,000	3,690,000	122,100	385,000
	12/12/19	2.0-4.0	6/1/20-39	6/1 & 12/1	3,650,000	3,100,000	-	205,000	2,895,000	86,200	180,000
	11/23/21	2.0-3.0	6/1/22-41	6/1 & 12/1	5,225,000	4,840,000	-	440,000	4,400,000	113,388	360,000
	12/14/23	4.0-5.0	6/1/24-43	6/1 & 12/1	3,235,000	-	3,235,000	-	3,235,000	-	180,000
<b>TOTAL GENERAL OBLIGATION DEBT</b>						<u>\$ 17,260,000</u>	<u>\$ 3,235,000</u>	<u>\$ 1,465,000</u>	<u>\$ 19,030,000</u>	<u>\$ 473,711</u>	<u>\$ 1,615,000</u>

**ANNUAL PRINCIPAL AND INTEREST PAYMENTS  
TO MATURITY ON LONG-TERM DEBT**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance Outstanding</u>
2023				\$ 19,030,000
2024	\$ 1,615,000	\$ 567,174	\$ 2,182,174	17,415,000
2025	1,775,000	516,001	2,291,001	15,640,000
2026	1,550,000	460,822	2,010,822	14,090,000
2027	1,555,000	410,030	1,965,030	12,535,000
2028	1,540,000	358,238	1,898,238	10,995,000
2029	1,505,000	308,338	1,813,338	9,490,000
2030	1,340,000	263,088	1,603,088	8,150,000
2031	990,000	229,775	1,219,775	7,160,000
2032	1,010,000	201,550	1,211,550	6,150,000
2033	885,000	174,125	1,059,125	5,265,000
2034	860,000	148,950	1,008,950	4,405,000
2035	870,000	124,900	994,900	3,535,000
2036	675,000	99,950	774,950	2,860,000
2037	680,000	80,800	760,800	2,180,000
2038	515,000	61,150	576,150	1,665,000
2039	520,000	46,613	566,613	1,145,000
2040	385,000	33,225	418,225	760,000
2041	390,000	21,269	411,269	370,000
2042	185,000	11,447	196,447	185,000
2043	185,000	3,816	188,816	-
	<u>\$ 19,030,000</u>	<u>\$ 4,121,258</u>	<u>\$ 23,151,258</u>	

**VILLAGE OF HARTLAND**

COMPARATIVE SCHEDULE OF TAXES AND VALUATION DATA  
2019 - 2023 Tax Rolls

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>STATE TAXES</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>COUNTY TAXES</b>	<u>2,515,164</u>	<u>2,507,518</u>	<u>2,560,944</u>	<u>2,640,612</u>	<u>2,750,623</u>
<b>LOCAL TAXES</b>					
Village property taxes	6,246,881	6,292,640	6,591,517	6,808,484	7,162,836
Tax Increment District taxes	<u>222,255</u>	<u>185,891</u>	<u>201,626</u>	<u>191,771</u>	<u>173,345</u>
Total Local Taxes	<u>6,469,136</u>	<u>6,478,531</u>	<u>6,793,143</u>	<u>7,000,255</u>	<u>7,336,181</u>
<b>SCHOOL TAXES</b>					
Swallow School District	1,700,112	1,575,543	1,544,272	1,555,435	1,532,234
Merton Community School District	149,042	153,086	145,755	174,421	237,380
School District of Hartland - Lakeside School	4,025,163	3,838,962	4,054,554	3,663,212	4,183,619
Lake Country School District	708,901	710,173	716,409	717,619	637,510
Arrowhead Union High School District	3,977,881	3,879,386	3,562,236	3,620,903	3,587,453
Waukesha County Technical College	<u>497,792</u>	<u>499,569</u>	<u>459,399</u>	<u>462,336</u>	<u>495,498</u>
Total School Taxes	<u>11,058,891</u>	<u>10,656,719</u>	<u>10,482,625</u>	<u>10,193,926</u>	<u>10,673,694</u>
Total General Property Taxes	<u>20,043,191</u>	<u>19,642,768</u>	<u>19,836,712</u>	<u>19,834,793</u>	<u>20,760,498</u>
<b>SPECIAL ASSESSMENTS AND SPECIAL CHARGES</b>					
Refuse removal	401,650	415,950	443,680	548,910	556,510
BID District	<u>74,800</u>	<u>74,800</u>	<u>74,800</u>	<u>74,800</u>	<u>74,800</u>
Total Special Assessments and Special Charges	<u>476,450</u>	<u>490,750</u>	<u>518,480</u>	<u>623,710</u>	<u>631,310</u>
<b>DELINQUENT UTILITY CHARGES</b>					
Water Utility	6,778	19,381	18,072	11,388	15,300
Sewer Fund	<u>5,736</u>	<u>15,535</u>	<u>17,431</u>	<u>10,698</u>	<u>18,979</u>
Total Delinquent Utility Charges	<u>12,514</u>	<u>34,916</u>	<u>35,503</u>	<u>22,086</u>	<u>34,279</u>
<b>TOTAL TAX ROLL</b>	<u>\$ 20,532,155</u>	<u>\$ 20,168,434</u>	<u>\$ 20,390,695</u>	<u>\$ 20,480,589</u>	<u>\$ 21,426,087</u>
<b>ASSESSED VALUATION</b>	<u>\$ 1,387,942,121</u>	<u>\$ 1,397,738,625</u>	<u>\$ 1,427,387,041</u>	<u>\$ 1,466,890,915</u>	<u>\$ 1,914,308,996</u>
<b>EQUALIZED VALUATION</b>	<u>\$ 1,397,844,200</u>	<u>\$ 1,421,905,900</u>	<u>\$ 1,535,906,500</u>	<u>\$ 1,744,361,100</u>	<u>\$ 1,995,168,100</u>
<b>RATIO OF ASSESSMENT</b>	<u>99.29%</u>	<u>98.30%</u>	<u>92.93%</u>	<u>84.09%</u>	<u>95.95%</u>