

VILLAGE OF EGG HARBOR, WISCONSIN

**FINANCIAL STATEMENT AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

[CLAconnect.com](https://www.CLAconnect.com)

**VILLAGE OF EGG HARBOR, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	6
STATEMENT OF ACTIVITIES	7
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	9
RECONCILIATION TO THE STATEMENT OF NET POSITION – GOVERNMENTAL FUNDS	10
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	11
RECONCILIATION TO THE STATEMENT OF ACTIVITIES	13
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	14
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – MARINA FUND	15
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – PAVILION/LIBRARY FUND	16
STATEMENT OF NET POSITION – PROPRIETARY FUND – SEWER UTILITY	17
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUND – SEWER UTILITY	18
STATEMENT OF CASH FLOWS – PROPRIETARY FUND – SEWER UTILITY	19
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUND – CUSTODIAL	20
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND – CUSTODIAL	21
NOTES TO BASIC FINANCIAL STATEMENTS	22

**VILLAGE OF EGG HARBOR, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) – WISCONSIN RETIREMENT SYSTEM	58
SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM	58
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY (ASSET) – LOCAL RETIREE LIFE INSURANCE FUND	59
SCHEDULE OF CONTRIBUTIONS – LOCAL RETIREE LIFE INSURANCE FUND	59
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	60

SUPPLEMENTARY INFORMATION

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES	62
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES	63
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	64
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS	65
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – ROOM TAX AND RESTRICTED DONATION FUND	66
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – JOINT OPERATIONS FUND	67
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND	68

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	70
SCHEDULE OF FINDINGS AND RESPONSES	72



INDEPENDENT AUDITORS' REPORT

Village Board
Village of Egg Harbor, Wisconsin

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Egg Harbor, Wisconsin (the Village) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, marina fund, and pavilion/library fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

Other Matter

Report on Summarized Comparative Information

We have previously audited the Village's 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated June 17, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions and other postemployment benefits 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The financial information listed in the table of contents as supplementary information 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated June 17, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type, each major fund, and the aggregate remaining fund information. The financial information listed in the table of contents as supplementary information for the year ended December 31, 2020 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 2020 basic financial statements. The information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial information listed in the table of contents as supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2022, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 27, 2022

BASIC FINANCIAL STATEMENTS

VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS AS OF DECEMBER 31, 2020)

	Governmental Activities	Business-Type Activities	Totals	2020
ASSETS				
Cash and Investments	\$ 4,968,400	\$ 2,011,519	\$ 6,979,919	\$ 3,149,058
Receivables:				
Taxes and Special Charges	1,618,980	-	1,618,980	1,451,011
Accounts	9,673	187,130	196,803	195,470
Special Assessments	-	53,430	53,430	66,208
Due from Other Governments	-	-	-	19
Inventories and Prepaid Items	35,176	7,406	42,582	40,290
Restricted Assets:				
Cash and Investments	-	539,697	539,697	686,348
Net Pension Asset	121,359	74,918	196,277	95,688
Capital Assets, Nondepreciable	6,936,884	319,167	7,256,051	6,004,431
Capital Assets, Depreciable	15,678,219	6,053,436	21,731,655	18,474,866
Total Assets	<u>29,368,691</u>	<u>9,246,703</u>	<u>38,615,394</u>	<u>30,163,389</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	204,949	123,213	328,162	229,382
Other Postemployment Related Amounts	11,928	7,364	19,292	11,482
Total Deferred Outflows of Resources	<u>216,877</u>	<u>130,577</u>	<u>347,454</u>	<u>240,864</u>
LIABILITIES				
Accounts Payable	455,482	142,931	598,413	218,062
Accrued and Other Current Liabilities	29,967	-	29,967	21,317
Accrued Interest Payable	102,284	4,206	106,490	58,543
Special Deposits	206,131	-	206,131	170,682
Long-Term Obligations:				
Due within One Year	1,201,905	73,504	1,275,409	791,151
Due in More than One Year	12,337,448	1,623,678	13,961,126	8,167,817
Net Other Postemployment Benefits	26,260	16,211	42,471	29,611
Total Liabilities	<u>14,359,477</u>	<u>1,860,530</u>	<u>16,220,007</u>	<u>9,457,183</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	1,937,085	-	1,937,085	1,593,183
Pension Related Amounts	265,813	164,093	429,906	286,827
Other Postemployment Related Amounts	8,966	5,535	14,501	16,305
Total Deferred Inflows of Resources	<u>2,211,864</u>	<u>169,628</u>	<u>2,381,492</u>	<u>1,896,315</u>
NET POSITION				
Net Investment in Capital Assets	11,516,985	4,539,238	16,056,223	15,871,678
Restricted				
Pension Benefits	121,359	74,918	196,277	95,688
Future Capital Projects	580,353	-	580,353	-
Debt Service	259,321	-	259,321	-
Equipment Replacement	-	539,697	539,697	686,348
Unrestricted	<u>536,209</u>	<u>2,193,269</u>	<u>2,729,478</u>	<u>2,397,041</u>
Total Net Position	<u>\$ 13,014,227</u>	<u>\$ 7,347,122</u>	<u>\$ 20,361,349</u>	<u>\$ 19,050,755</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 378,567	\$ 86,496	\$ -	\$ -
Public Safety	138,955	-	13,785	-
Public Works	438,237	-	-	-
Health and Human Services	3,534	-	-	-
Culture and Recreation	1,317,457	679,976	85,942	249,000
Conservation and Development	97,533	-	-	-
Interest and Fiscal Charges	375,774	-	-	-
Total Governmental Activities	<u>2,750,057</u>	<u>766,472</u>	<u>99,727</u>	<u>249,000</u>
BUSINESS-TYPE ACTIVITIES				
Sewer Utility	<u>870,485</u>	<u>1,010,233</u>	<u>-</u>	<u>37,309</u>
Total	<u>\$ 3,620,542</u>	<u>\$ 1,776,705</u>	<u>\$ 99,727</u>	<u>\$ 286,309</u>

GENERAL REVENUES

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Specific Purposes

Other Taxes

Federal and State Grants and Other Contributions
not Restricted to Specific Functions

Interest and Investment Earnings

Miscellaneous

Transfers

Total General Revenues

CHANGE IN NET POSITION

Net Position - January 1, as Originally Stated

Prior Period Adjustment

Net Position - January 1, restated

NET POSITION - DECEMBER 31

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Totals	2020
\$ (292,071)	\$ -	\$ (292,071)	\$ (495,752)
(125,170)	-	(125,170)	(132,417)
(438,237)	-	(438,237)	(405,205)
(3,534)	-	(3,534)	(5,722)
(302,539)	-	(302,539)	(472,239)
(97,533)	-	(97,533)	(93,256)
(375,774)	-	(375,774)	(214,333)
<u>(1,634,858)</u>	<u>-</u>	<u>(1,634,858)</u>	<u>(1,818,924)</u>
-	177,057	177,057	89,000
<u>(1,634,858)</u>	<u>177,057</u>	<u>(1,457,801)</u>	<u>(1,729,924)</u>
632,822	-	632,822	624,460
963,204	-	963,204	800,036
169,671	-	169,671	115,606
74,694	753,606	828,300	66,214
(10,345)	1,745	(8,600)	18,195
159,156	23,842	182,998	302,804
(10,572)	10,572	-	-
<u>1,978,630</u>	<u>789,765</u>	<u>2,768,395</u>	<u>1,927,315</u>
343,772	966,822	1,310,594	197,391
12,670,455	6,380,300	19,050,755	18,943,933
<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,569)</u>
<u>12,670,455</u>	<u>6,380,300</u>	<u>19,050,755</u>	<u>18,853,364</u>
<u>\$ 13,014,227</u>	<u>\$ 7,347,122</u>	<u>\$ 20,361,349</u>	<u>\$ 19,050,755</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF EGG HARBOR, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS AS OF DECEMBER 31, 2020)**

	Special Revenue					Other Governmental Funds	Totals	2020
	General	Marina	Pavilion/ Library	Capital Projects	Debt Service			
ASSETS								
Cash and Investments	\$ 415,187	\$ 203,416	\$ 155,757	\$ 3,456,365	\$ 542,622	\$ 195,053	\$ 4,968,400	\$ 1,654,952
Receivables:								
Taxes and Special Charges	534,727	-	100,294	62,684	921,275	-	1,618,980	1,451,011
Accounts	8,370	201	1,102	-	-	-	9,673	14,629
Due from Other Funds	79,101	-	-	-	-	-	79,101	79,101
Due from Other Governments	-	-	-	-	-	-	-	19
Inventories and Prepaid Items	7,597	27,579	-	-	-	-	35,176	32,443
Total Assets	<u>\$ 1,044,982</u>	<u>\$ 231,196</u>	<u>\$ 257,153</u>	<u>\$ 3,519,049</u>	<u>\$ 1,463,897</u>	<u>\$ 195,053</u>	<u>\$ 6,711,330</u>	<u>\$ 3,232,155</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ 21,336	\$ 8,977	\$ 241	\$ 422,461	\$ -	\$ 2,467	\$ 455,482	\$ 207,160
Accrued and Other Current Liabilities	28,480	-	-	-	-	1,487	29,967	21,317
Due to Other Funds	-	-	79,101	-	-	-	79,101	79,101
Special Deposits	4,376	88,634	113,121	-	-	-	206,131	170,682
Total Liabilities	54,192	97,611	192,463	422,461	-	3,954	770,681	478,260
DEFERRED INFLOWS OF RESOURCES								
Property Taxes Levied for Subsequent Year	639,793	-	120,000	75,000	1,102,292	-	1,937,085	1,593,183
FUND BALANCES								
Nonspendable	7,597	27,579	-	-	-	-	35,176	32,443
Restricted	-	-	-	3,021,588	361,605	-	3,383,193	645,037
Committed	-	106,006	-	-	-	191,099	297,105	267,054
Unassigned	343,400	-	(55,310)	-	-	-	288,090	216,178
Total Fund Balances	350,997	133,585	(55,310)	3,021,588	361,605	191,099	4,003,564	1,160,712
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,044,982</u>	<u>\$ 231,196</u>	<u>\$ 257,153</u>	<u>\$ 3,519,049</u>	<u>\$ 1,463,897</u>	<u>\$ 195,053</u>	<u>\$ 6,711,330</u>	<u>\$ 3,232,155</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF EGG HARBOR, WISCONSIN
RECONCILIATION TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS AS OF DECEMBER 31, 2020)

	2021	2020
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total Fund Balances as Shown on Previous Page	\$ 4,003,564	\$ 1,160,712
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	22,615,103	20,524,976
Long-term assets are not considered available; therefore, are not reported in the funds.		
Net Pension Asset	121,359	57,220
Deferred outflows and inflows of resources represent a consumption or acquisition of net position that applies to a future period and, therefore are not reported in the funds.		
Deferred Outflows Related to Pensions	204,949	137,166
Deferred Inflows Related to Pensions	(265,813)	(171,517)
Deferred Outflows Related to Other Postemployment Benefits	11,928	6,866
Deferred Inflows Related to Other Postemployment Benefits	(8,966)	(9,750)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and Notes Payable	(13,094,127)	(8,808,590)
Discount on Debt	5,740	6,696
Premium on Debt	(450,966)	(157,074)
Net Other Postemployment Benefit	(26,260)	(17,707)
Accrued Interest on Long-Term Obligations	(102,284)	(58,543)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 6)	\$ 13,014,227	\$ 12,670,455

See accompanying Notes to Basic Financial Statements.

VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

	General	Marina	Pavilion/ Library	Capital Projects	Debt Service	Other Governmental Funds	Totals	2020
REVENUES								
Taxes	\$ 632,932	\$ -	\$ -	\$ 75,000	\$ 888,204	\$ 169,561	\$ 1,765,697	\$ 1,540,102
Intergovernmental	87,804	-	-	249,000	-	675	337,479	101,971
Licenses and Permits	84,082	-	-	-	-	-	84,082	42,123
Public Charges for Services	6,218	559,191	151,132	-	-	894	717,435	534,526
Intergovernmental Charges for Services	2,414	-	-	-	-	-	2,414	6,163
Miscellaneous	51,249	3,238	57,130	(1,205)	-	86,882	197,294	215,712
Total Revenues	<u>864,699</u>	<u>562,429</u>	<u>208,262</u>	<u>322,795</u>	<u>888,204</u>	<u>258,012</u>	<u>3,104,401</u>	<u>2,440,597</u>
EXPENDITURES								
Current:								
General Government	368,031	-	-	468	-	-	368,499	429,624
Public Safety	23,120	-	-	-	-	94,904	118,024	118,313
Public Works	259,073	-	-	419,201	-	-	678,274	326,298
Health and Human Services	1,429	-	-	-	-	2,020	3,449	5,637
Culture and Recreation	47,991	391,563	269,651	790,594	-	110,485	1,610,284	1,545,773
Conservation and Development	61,263	-	-	-	-	35,000	96,263	91,986
Debt Service:								
Principal	-	-	-	-	778,768	-	778,768	548,085
Interest and Fiscal Charges	-	-	-	138,569	212,421	-	350,990	221,713
Capital Outlay	-	11,414	-	1,613,122	-	-	1,624,536	735,466
Total Expenditures	<u>760,907</u>	<u>402,977</u>	<u>269,651</u>	<u>2,961,954</u>	<u>991,189</u>	<u>242,409</u>	<u>5,629,087</u>	<u>4,022,895</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	103,792	159,452	(61,389)	(2,639,159)	(102,985)	15,603	(2,524,686)	(1,582,298)

See accompanying Notes to Basic Financial Statements.

VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

	General	Marina	Pavilion/ Library	Capital Projects	Debt Service	Other Governmental Funds	Totals	2020
OTHER FINANCING SOURCES (USES)								
Long-Term Debt Issued	\$ -	\$ -	\$ -	\$ 5,064,305	\$ -	\$ -	\$ 5,064,305	\$ -
Premium on Debt Issued	-	-	-	-	313,805	-	313,805	-
Transfers In	132,154	-	120,462	-	102,190	92,792	447,598	436,785
Transfers Out	(223,825)	(143,195)	-	-	-	(91,150)	(458,170)	(436,785)
Total Other Financing Sources (Uses)	(91,671)	(143,195)	120,462	5,064,305	415,995	1,642	5,367,538	-
NET CHANGE IN FUND BALANCES	12,121	16,257	59,073	2,425,146	313,010	17,245	2,842,852	(1,582,298)
Fund Balances - January 1, as Originally Stated	338,876	117,328	(114,383)	596,442	48,595	173,854	1,160,712	2,833,579
Prior Period Adjustment	-	-	-	-	-	-	-	(90,569)
Fund Balances- January 1, Restated	338,876	117,328	(114,383)	596,442	48,595	173,854	1,160,712	2,743,010
FUND BALANCES - DECEMBER 31	<u>\$ 350,997</u>	<u>\$ 133,585</u>	<u>\$ (55,310)</u>	<u>\$ 3,021,588</u>	<u>\$ 361,605</u>	<u>\$ 191,099</u>	<u>\$ 4,003,564</u>	<u>\$ 1,160,712</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF EGG HARBOR, WISCONSIN
RECONCILIATION TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

RECONCILIATION TO THE STATEMENT OF ACTIVITIES	2021	2020
Net Change in Fund Balances as Shown on Previous Page	\$ 2,842,852	\$ (1,582,298)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Assets Reported as Capital Outlay in Governmental Fund Statements	2,751,326	1,633,233
Depreciation Expense Reported in the Statement of Activities	(661,199)	(640,762)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-Term Debt Issued	(5,064,305)	-
Premium on Debt Issued	(313,805)	-
Principal Repaid	778,768	548,085
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued Interest on Long-Term Debt	(43,741)	(5,039)
Amortization of Premiums and Discounts	18,957	12,419
Net Pension Asset	64,139	120,706
Deferred Outflows of Resources Related to Pensions	67,783	(35,186)
Deferred Inflows of Resources Related to Pensions	(94,296)	(84,114)
Net Other Postemployment Benefits	(8,553)	(3,901)
Deferred Outflows of Resources Related to Other Postemployment Benefits	5,062	5,219
Deferred Inflows of Resources Related to Other Postemployment Benefits	784	(1,241)
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 7-8)	\$ 343,772	\$ (32,879)

See accompanying Notes to Basic Financial Statements.

VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

	Budget		Actual	Variance	2020 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes	\$ 629,967	\$ 629,967	\$ 632,932	\$ 2,965	\$ 624,550
Intergovernmental	66,426	66,426	87,804	21,378	77,673
Licenses and Permits	40,214	40,214	84,082	43,868	42,123
Public Charges for Services	8,500	8,500	6,218	(2,282)	8,339
Intergovernmental Charges for Services	10,000	10,000	2,414	(7,586)	6,163
Miscellaneous	35,215	35,215	51,249	16,034	43,409
Total Revenues	<u>790,322</u>	<u>790,322</u>	<u>864,699</u>	<u>74,377</u>	<u>802,257</u>
EXPENDITURES					
Current:					
General Government	375,969	375,969	368,031	7,938	417,729
Public Safety	14,000	14,000	23,120	(9,120)	14,800
Public Works	313,206	313,206	259,073	54,133	241,355
Health and Human Services	2,400	2,400	1,429	971	2,127
Culture and Recreation	116,070	116,070	47,991	68,079	90,876
Conservation and Development	17,688	17,688	61,263	(43,575)	61,986
Total Expenditures	<u>839,333</u>	<u>839,333</u>	<u>760,907</u>	<u>78,426</u>	<u>828,873</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(49,011)	(49,011)	103,792	152,803	(26,616)
OTHER FINANCING SOURCES (USES)					
Transfers In	91,150	91,150	132,154	41,004	78,774
Transfers Out	(216,753)	(216,753)	(223,825)	(7,072)	(180,861)
Total Other Financing Sources (Uses)	<u>(125,603)</u>	<u>(125,603)</u>	<u>(91,671)</u>	<u>33,932</u>	<u>(102,087)</u>
NET CHANGE IN FUND BALANCE	(174,614)	(174,614)	12,121	186,735	(128,703)
Fund Balance - January 1	<u>338,876</u>	<u>338,876</u>	<u>338,876</u>	-	<u>467,579</u>
FUND BALANCE - DECEMBER 31	<u>\$ 164,262</u>	<u>\$ 164,262</u>	<u>\$ 350,997</u>	<u>\$ 186,735</u>	<u>\$ 338,876</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – MARINA FUND
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2020 Actual
	Original	Final			
REVENUES					
Public Charges for Services	\$ 500,344	\$ 500,344	\$ 559,191	\$ 58,847	\$ 490,409
Miscellaneous	1,500	1,500	3,238	1,738	1,700
Total Revenues	501,844	501,844	562,429	60,585	492,109
EXPENDITURES					
Current:					
Culture and Recreation	389,654	389,654	391,563	(1,909)	369,150
Capital Outlay	10,000	10,000	11,414	(1,414)	4,243
Total Expenditures	399,654	399,654	402,977	(3,323)	373,393
EXCESS OF REVENUES OVER EXPENDITURES	102,190	102,190	159,452	57,262	118,716
OTHER FINANCING USES					
Transfers Out	(102,190)	(102,190)	(143,195)	(41,005)	(88,447)
NET CHANGE IN FUND BALANCE	-	-	16,257	16,257	30,269
Fund Balance - January 1	117,328	117,328	117,328	-	87,059
FUND BALANCE - DECEMBER 31	\$ 117,328	\$ 117,328	\$ 133,585	\$ 16,257	\$ 117,328

See accompanying Notes to Basic Financial Statements.

VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – PAVILION/LIBRARY FUND
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

	Budgeted Amounts		Actual	Variance with	2020
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Public Charges for Services	\$ 103,500	\$ 103,500	\$ 151,132	\$ 47,632	\$ 30,198
Miscellaneous	25,500	25,500	57,130	31,630	125,809
Total Revenues	<u>129,000</u>	<u>129,000</u>	<u>208,262</u>	<u>79,262</u>	<u>156,007</u>
EXPENDITURES					
Current:					
Culture and Recreation	<u>249,462</u>	<u>249,462</u>	<u>269,651</u>	<u>(20,189)</u>	<u>312,579</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(120,462)	(120,462)	(61,389)	59,073	(156,572)
OTHER FINANCING SOURCES					
Transfers In	<u>120,462</u>	<u>120,462</u>	<u>120,462</u>	<u>-</u>	<u>187,417</u>
NET CHANGE IN FUND BALANCE	-	-	59,073	59,073	30,845
Fund Balance - January 1	<u>(114,383)</u>	<u>(114,383)</u>	<u>(114,383)</u>	<u>-</u>	<u>(145,228)</u>
FUND BALANCE - DECEMBER 31	<u><u>\$ (114,383)</u></u>	<u><u>\$ (114,383)</u></u>	<u><u>\$ (55,310)</u></u>	<u><u>\$ 59,073</u></u>	<u><u>\$ (114,383)</u></u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUND – SEWER UTILITY
DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS AS OF DECEMBER 31, 2020)

	2021	2020
ASSETS		
Current Assets:		
Cash and Investments	\$ 2,011,519	\$ 1,494,106
Receivables:		
Customer Accounts	185,075	179,956
Special Assessments	53,430	66,208
Other	2,055	885
Inventories and Prepaid Items	7,406	7,847
Total Current Assets	2,259,485	1,749,002
Noncurrent Assets:		
Restricted Assets:		
Cash and Investments	539,697	686,348
Other Assets:		
Net Pension Asset	74,918	38,468
Capital Assets:		
Nondepreciable	319,167	442,789
Depreciable	6,053,436	3,511,532
Total Capital Assets	6,372,603	3,954,321
Total Assets	9,246,703	6,428,139
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Amounts	123,213	92,216
Other Postemployment Related Amounts	7,364	4,616
Total Deferred Outflows of Resources	130,577	96,832
LIABILITIES		
Current Liabilities:		
Accounts Payable	142,931	10,902
Current Portion of Long-Term Debt	73,504	-
Accrued Interest Payable	4,206	-
Total Current Liabilities	220,641	10,902
Long-Term Obligations:		
General Obligation Debt	1,623,678	-
Net Other Postemployment Benefits	16,211	11,904
Total Long-Term Liabilities	1,639,889	11,904
Total Liabilities	1,860,530	22,806
DEFERRED INFLOWS OF RESOURCES		
Pension Related Amounts	164,093	115,310
Other Postemployment Related Amounts	5,535	6,555
Total Deferred Inflows of Resources	169,628	121,865
NET POSITION		
Net Investment in Capital Assets	4,539,238	3,954,321
Restricted for Pension Benefits	74,918	38,468
Restricted for Equipment Replacement	539,697	686,348
Unrestricted	2,193,269	1,701,163
Total Net Position	\$ 7,347,122	\$ 6,380,300

See accompanying Notes to Basic Financial Statements.

VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND – SEWER UTILITY
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for Services	\$ 1,010,233	\$ 908,553
OPERATING EXPENSES		
Operation and Maintenance	440,595	474,035
Depreciation	422,050	372,518
Total Operating Expenses	<u>862,645</u>	<u>846,553</u>
OPERATING INCOME	147,588	62,000
NONOPERATING REVENUES (EXPENSES)		
Interest Income	1,745	5,955
Interest and Fiscal Charges	(7,840)	-
Other	23,842	135,315
Total Nonoperating Revenues (Expenses)	<u>17,747</u>	<u>141,270</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	165,335	203,270
Capital Contributions	790,915	27,000
Transfers In	10,572	-
Total Contributions and Transfers	<u>801,487</u>	<u>27,000</u>
CHANGE IN NET POSITION	966,822	230,270
Net Position - January 1, as Originally Stated	6,380,300	6,048,874
Prior Period Adjustment	-	101,156
Net Position - January 1, restated	<u>6,380,300</u>	<u>6,150,030</u>
NET POSITION - DECEMBER 31	<u>\$ 7,347,122</u>	<u>\$ 6,380,300</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND – SEWER UTILITY
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 1,003,944	\$ 907,416
Cash Paid for Employee Wages and Benefits	(267,311)	(222)
Cash Paid to Suppliers	(195,122)	(464,234)
Net Cash Provided by Operating Activities	541,511	442,960
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Nonoperating Revenue	23,842	135,315
Transfer Out	10,572	-
Net Cash Provided by Noncapital Financing Activities	34,414	135,315
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(2,704,149)	(183,508)
Capital Contributions	803,693	364,127
Proceeds from Debt	1,697,182	-
Principal Paid on Long-Term Debt	-	(70,000)
Interest Paid on Long-Term Debt	(3,634)	(968)
Net Cash Used by Capital and Related Financing Activities	(206,908)	109,651
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	1,745	5,955
CHANGE IN CASH AND INVESTMENTS	370,762	693,881
Cash and Investments - January 1	2,180,454	1,486,573
CASH AND INVESTMENTS - DECEMBER 31	\$ 2,551,216	\$ 2,180,454
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 147,588	\$ 62,000
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	422,050	372,518
Change in Net Pension Asset/Liability	(36,450)	(80,916)
Change in Pension Deferred Outflows of Resources	(26,381)	24,901
Change in Pension Deferred Inflows of Resources	42,228	51,181
Change in Net OPEB Liability	4,307	2,673
Change in OPEB Deferred Outflows of Resources	(7,364)	(4,616)
Change in OPEB Deferred Inflows of Resources	5,535	6,555
Change in Operating Assets and Liabilities:		
Accounts Receivables	(6,289)	(1,137)
Inventories and Prepaid Items	441	4,947
Accounts Payable	(4,154)	4,854
Net Cash Provided by Operating Activities	\$ 541,511	\$ 442,960
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents in Current Assets	\$ 2,011,519	\$ 1,494,106
Cash and Cash Equivalents in Restricted Assets	539,697	686,348
Total Cash and Investments	\$ 2,551,216	\$ 2,180,454
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Related Accounts Payable	\$ 136,183	\$ -

See accompanying Notes to Basic Financial Statements.

VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND - CUSTODIAL
DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS AS OF DECEMBER 31, 2020)

	2021	2020
ASSETS		
Cash and Investments	\$ 526,645	\$ 296,335
Receivables:		
Taxes and Special Charges	2,680,330	3,024,426
Total Assets	3,206,975	3,320,761
 DEFERRED INFLOWS OF RESOURCES		
Property Taxes Levied for Subsequent Year	3,206,975	3,320,761
 NET POSITION		
Restricted for Others	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND - CUSTODIAL
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021	2021
ADDITIONS		
Taxes and Special Charges Collected	\$ 3,320,761	\$ 3,059,955
DEDUCTIONS		
Current:		
Payments to Other Districts	3,320,761	3,059,955
CHANGE IN NET POSITION	-	-
Net Position - January 1	-	-
NET POSITION - DECEMBER 31	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Village is a municipal corporation governed by an elected five-member board. In accordance with GAAP, the basic financial statements are required to include the Village and any separate component units that have a significant operational or financial relationship with the Village. The Village has not identified any component units that are required to be included in the basic financial statements in accordance with the standards.

B. Jointly Governed Organization

The Village is a participant with all other Door County municipalities in a jointly governed organization to create the Door County Tourism Zone as prescribed under Wisconsin Statute 66.0615. The Tourism Zone is responsible for collecting a 5.5% room tax on the gross receipts from retail furnishing of rooms or lodgings over all of the member municipalities. The Tourism Zone pays 66% of the room tax collected to the Door County Visitor Bureau, 30% to the member municipalities and retains 4% for its operations. During 2021, the Village received \$169,561 of room tax from the Tourism Zone. Complete financial information for the Door County Tourism Zone Commission can be obtained from their office in Sister Bay, Wisconsin.

C. Joint Operations

The Village is a 50% partner with the Town of Egg Harbor in a joint operation to fund activities for a fire station located in the Village, a fire station located in the Town, a cemetery located in the Village, and a ball field located at the Village fire station. The Village includes their 50% share of financial responsibility in a separate fund in the financial statements. In accordance with a joint agreement, the Town Treasurer receives all operations funds on behalf of the joint operations and pays the costs and expenses of the joint operations. The Town and Village contribute equally to the joint operations by January 15, February 15, and August 15 of each year for the approved budgeted costs and expenses. Complete financial information for the Joint Operations can be obtained from the Town of Egg Harbor's office.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Government-Wide and Fund Financial Statements

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

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

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

The Village reports the following major governmental funds:

General Fund

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

Marina Fund

This fund accounts for the operation of the marina. Significant revenues are public charges for services.

Pavilion/Library Fund

This fund accounts for the operation of the pavilion/library. Significant revenues are public charges for services.

Capital Projects Fund

This fund accounts for the acquisition or construction of major capital facilities other than those financed by proprietary fund types.

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Village reports the following major enterprise fund:

Sewer Utility Fund

This fund accounts for the operations of the Village's sanitary sewer utility.

Additionally, the Village reports the following fund type:

Custodial Fund

The custodial fund accounts for property taxes and special charges collected on behalf of other governments.

E. Measurement Focus and Basis of Accounting

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

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

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

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

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

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

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 Village's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

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

1. Cash and Investments

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

2. Property Taxes and Special Charges/Receivable

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

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Property Taxes and Special Charges/Receivable (Continued)

In addition to its levy, the Village also levies taxes for the Gibraltar School District, Door County, and Northeast Wisconsin Technical College. Door County currently collects the Village's property taxes by agreement.

3. Accounts Receivable

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

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in enterprise funds are recognized when levied. (Installments placed on the 2020 tax roll are recognized as revenue in 2021.)

5. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

6. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Prepaid Items

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

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual costs of \$5,000 or higher and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Village are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities	Business-Type Activities
	Years	
Land Improvements	25 - 30	25 - 100
Buildings and Improvements	25 - 50	25 - 50
Machinery and Equipment	7 - 35	3 - 10
Infrastructure	15 - 50	50

9. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements. Amounts due at December 31, 2021 are considered immaterial and not recorded.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Deferred Outflows/Inflows of Resources

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

11. Long-Term Obligations

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Pensions

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

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Other Postemployment Benefits Other Than Pensions (OPEB)

Local Retiree Life Insurance Fund

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 the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense (revenue), and 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 employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Fund Equity

Governmental Fund Financial Statements

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

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

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

Committed fund balance – Amounts that are constrained for specific purposes by action of the Village board. These constraints can only be removed or changed by the Village board using the same action that was used to create them.

Assigned fund balance – Amounts that are constrained for specific purposes by action of Village management. The Village board has not authorized an employee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

Unassigned fund balance – Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Fund Equity (Continued)

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

Government-Wide and Proprietary Fund Statements

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

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

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

Unrestricted net position – Net position that is neither classified as restricted nor as net investment in capital assets.

G. Use of Estimates

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

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

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

1. During November, Village management in conjunction with the Village board, prepares a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the major governmental funds.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village board.
5. Encumbrance accounting is not used by the Village to record commitments related to unperformed contracts for goods or services.

The Village did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2021.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2021 as follows:

Funds	Excess Expenditures
General Fund:	
General Government:	
Financial Administration	\$ 3,172
Revaluation	1,000
Legal and Audit	18,361
Property and Liability Insurance	1,555
Office Expenses	4,271
Public Safety:	
Building Inspections	(7,986)
Police Protection	1,134
Public Works:	
General Maintenance	3,533
Culture and Recreation	
Visitor's Center	127
Conservation and Development	
Engineering	1,197
Zoning Administration	39,705
Planning Commission	2,673
Marina Fund:	
Culture and Recreation	1,909
Capital Outlay	1,414
Room Tax Fund:	
Culture and Recreation	16,571
Pavillion/Library Fund:	
Culture and Recreation	20,189
Joint Operations Fund:	
Public Safety	94,904
Health and Human Services	2,020
Culture and Recreation	764
Capital Projects Fund:	
Interest and Fiscal Charges	138,569

The above excess expenditures were funded by positive revenue variances and fund balance of the respective funds.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

C. Deficit Fund Equity

The following fund had deficit fund balance as of December 31, 2021:

Fund	Deficit Fund Balance
Pavilion/Library	\$ 55,310

D. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2021 and 2022 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2021 budget was 0.785%. The actual limit for the Village for the 2022 budget was 1.388%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

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

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

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

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

The carrying amount of the Village's cash and investments totaled \$8,046,261 on December 31, 2021 as summarized below:

Petty Cash and Cash on Hand	\$ 200
Deposits with Financial Institutions	4,473,962
Cash Held with Fiscal Agent	254,334
Investments:	
Ameritrade	2,330,511
Ameritrade - Treasury Money Fund	500,000
Wisconsin Local Government Investment Pool	487,254
Total	<u>\$ 8,046,261</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 6,979,919
Restricted Cash and Investments	539,697
Fiduciary Fund Statement of Net Position:	
Cash and Investments	526,645
Total	<u>\$ 8,046,261</u>

Fair Value Measurements

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village currently has \$2,330,511 in level 2 valued investments.

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

Custodial Credit Risk

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

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. The state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2021, \$2,597,674 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized. A majority of the uninsured deposits are due to advance tax collections that will be remitted to other local governments in January 2022.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The Village's investment policy requires a custody agreement for all securities managed by the Village's investment manager. The custody agreement must contain language that documents that all securities are held at a minimum of uninsured, but collateral held by the pledging financial institution trust department or agent not in the Village's name. Presented below is the actual rating as of the year-end for each investment type.

At December 31, 2021, the Village had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Village investments.

<u>Investment Type</u>	<u>Amount</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
State and Municipal Bonds	\$ 2,330,511	\$ -	\$ 868,577	\$ 1,461,934	\$ -
Wisconsin Local Government Investment Pool	487,254	487,254	-	-	-
Totals	<u>\$ 2,817,765</u>	<u>\$ 487,254</u>	<u>\$ 868,577</u>	<u>\$ 1,461,934</u>	<u>\$ -</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village's investment policy requires investment in shorter-term securities, money market mutual funds, or similar investment pools as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the Village's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Village's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
State and Municipal Bonds	\$ 2,330,511	\$ 2,239,272	\$ 91,239	\$ -	\$ -
Wisconsin Local Government Investment Pool	487,254	487,254	-	-	-
Totals	\$ 2,817,765	\$ 2,726,526	\$ 91,239	\$ -	\$ -

Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin local government investment pool of \$487,254 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The Village does not have an additional credit risk policy. The Village's investment in the Wisconsin local government investment pool is not rated.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2021 the Wisconsin local government investment pool had a weighted average maturity of 74 days.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Restricted Assets

Restricted assets on December 31, 2021 totaled \$539,697 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Sewer Utility:		
Equipment Replacement	<u>\$ 539,697</u>	To be used for the replacement of certain assets for capital projects.

C. Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 4,225,184	\$ 739,004	\$ -	\$ 4,964,188
Construction in Progress	1,336,458	1,944,492	1,308,254	1,972,696
Total Capital Assets, Nondepreciable	<u>5,561,642</u>	<u>2,683,496</u>	<u>1,308,254</u>	<u>6,936,884</u>
Capital Assets, Depreciable:				
Land Improvements	8,936,210	49,305	-	8,985,515
Buildings and Improvements	9,438,304	-	-	9,438,304
Machinery and Equipment	1,539,166	18,525	129,713	1,427,978
Infrastructure	4,638,899	1,308,254	2,479	5,944,674
Subtotals	<u>24,552,579</u>	<u>1,376,084</u>	<u>132,192</u>	<u>25,796,471</u>
Less: Accumulated Depreciation for:				
Land Improvements	2,997,442	314,779	-	3,312,221
Buildings and Improvements	1,385,642	196,335	-	1,581,977
Machinery and Equipment	1,066,417	71,900	129,713	1,008,604
Infrastructure	4,139,744	78,185	2,479	4,215,450
Subtotals	<u>9,589,245</u>	<u>661,199</u>	<u>132,192</u>	<u>10,118,252</u>
Total Capital Assets, Depreciable, Net	<u>14,963,334</u>	<u>714,885</u>	<u>-</u>	<u>15,678,219</u>
Governmental Activities Capital Assets, Net	<u>\$ 20,524,976</u>	<u>\$ 3,398,381</u>	<u>\$ 1,308,254</u>	22,615,103
Less: Capital Related Debt, net unspent bond proceeds				(10,262,205)
Less: Debt Premium				(450,966)
Add: Debt Discount				5,740
Less: Accounts Payable and Retainage Payable				<u>(390,687)</u>
Net Investment in Capital Assets				<u>\$ 11,516,985</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 183,823	\$ 130,000	\$ -	\$ 313,823
Construction in Progress	258,966	2,710,334	2,963,956	5,344
Total Capital Assets, Nondepreciable:	442,789	2,840,334	2,963,956	319,167
Capital Assets, Depreciable:				
Buildings and Improvements	2,819,259	2,642,458	-	5,461,717
Machinery and Equipment	3,154,890	321,496	239,433	3,236,953
Infrastructure	5,204,224	-	-	5,204,224
Subtotals	11,178,373	2,963,954	239,433	13,902,894
Less: Accumulated Depreciation for:				
Nonallocated	7,666,841	422,050	239,433	7,849,458
Total Capital Assets, Depreciable, Net	3,511,532	2,541,904	-	6,053,436
Business-Type Activities Capital Assets, Net	<u>\$ 3,954,321</u>	<u>\$ 5,382,238</u>	<u>\$ 2,963,956</u>	<u>\$ 6,372,603</u>
Less: Capital Related Debt				(1,697,182)
Less: Accounts Payable and Retainage Payable				<u>(136,183)</u>
Net Investment in Capital Assets				<u>\$ 4,539,238</u>

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

Governmental Activities:	
General Government	\$ 22,829
Public Safety	39,456
Public Works	103,043
Culture and Recreation	494,516
Health and Human Services	85
Conservation and Development	1,270
Total Depreciation Expense - Governmental Activities	<u>\$ 661,199</u>
Business-Type Activities:	
Sewer Utility	<u>\$ 422,050</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the Village, as reported in the fund financial statements, as of December 31, 2021 are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance		
Operating Cash Deficits:		
Governmental Funds:		
General	\$ 79,101	\$ -
Pavilion/Library	-	79,101

Interfund transfers for the year ended December 31, 2021 were as follows:

Fund	Transfer In	Transfer Out
General	\$ 132,154	\$ 223,825
Joint Operations	92,792	-
Marina	-	143,195
Room Tax	-	91,150
Pavilion/Library	120,462	-
Debt Service	102,190	-
Sewer Utility	10,572	-
Total	\$ 458,170	\$ 458,170

Interfund transfers were made for the following purposes:

To Finance Joint Operations with Town of Egg Harbor	\$ 92,792
To Finance Library Operations with Management Company	120,462
To Finance Debt Service Costs from Marina Operations	102,190
To Reimburse General from Marina for Operations	41,004
To Move Room Tax to General Fund Per Resolution	91,150
To Move ARPA Funds to Sewer Utility	10,572
Total	\$ 458,170

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2021:

	Beginning Balance (Restated)	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 6,749,999	\$ 5,015,000	\$ 495,000	\$ 11,269,999	\$ 885,000
Notes from Direct Borrowings:					
Notes	2,053,001	49,305	281,015	1,821,291	295,111
State Trust Fund Loan	5,590	-	2,753	2,837	2,837
Total General Obligation Debt	8,808,590	5,064,305	778,768	13,094,127	1,182,948
Debt Premium	157,074	313,805	19,913	450,966	19,913
Debt Discount	(6,696)	-	(956)	(5,740)	(956)
Governmental Activities Long-Term Obligations	<u>\$ 8,958,968</u>	<u>\$ 5,378,110</u>	<u>\$ 797,725</u>	<u>\$ 13,539,353</u>	<u>\$ 1,201,905</u>
Business-Type Activities:					
Revenue Bonds	<u>\$ -</u>	<u>\$ 1,697,182</u>	<u>\$ -</u>	<u>\$ 1,697,182</u>	<u>\$ 73,504</u>

The Village's outstanding notes from direct borrowings related to governmental activities of \$1,821,291 contains a provision that in an event of default, outstanding amounts shall at the option of the lender, without notice, mature and become immediately payable.

The Village's outstanding state trust fund loan of \$2,837 is subject to a statutory provision that in an event of late or nonpayment, a 1% per month penalty will be charged and the payment will be collected through a reduction in payments from the state of Wisconsin.

Total interest paid during the year on long-term debt totaled \$211,221.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21
State Trust Fund Loan	4/26/12	3/15/22	3.00%	\$ 25,000	\$ 2,837
General Obligation Bonds	5/29/13	10/1/29	0.70 - 2.80%	4,185,000	3,084,999
Note from Direct Borrowing	3/1/17	3/1/27	2.15 - 3.00%	2,180,000	1,740,000
Note from Direct Borrowing	3/1/18	12/1/23	2.25%	77,781	31,986
General Obligation Bonds	10/24/19	4/1/39	2.00-3.00%	3,475,000	3,170,000
General Obligation Bonds	8/12/21	4/1/41	2.00-5.00%	5,015,000	5,015,000
Note from Direct Borrowing	7/2/21	12/2/26	3.50%	49,305	49,305
Total Outstanding General Obligation Debt					<u>\$ 13,094,127</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Annual principal and interest maturities of the general obligation bonds and direct borrowing outstanding debt as of December 31, 2021 are detailed below:

Year Ended December 31,	Governmental Activities				Totals	
	G.O. Bonds		Direct Borrowings			
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 885,000	\$ 159,643	\$ 297,948	\$ 51,648	\$ 1,182,948	\$ 211,291
2023	825,000	149,968	309,788	42,846	1,134,788	192,814
2024	735,000	139,348	299,552	33,644	1,034,552	172,992
2025	605,000	127,388	299,720	24,512	904,720	151,900
2026	635,000	114,203	327,120	16,916	962,120	131,119
2027-2031	3,610,000	340,907	290,000	13,833	3,900,000	354,740
2032-2036	1,890,000	128,500	-	-	1,890,000	128,500
2037-2041	2,084,999	34,620	-	-	2,084,999	34,620
Total	<u>\$ 11,269,999</u>	<u>\$ 1,194,577</u>	<u>\$ 1,824,128</u>	<u>\$ 183,399</u>	<u>\$ 13,094,127</u>	<u>\$ 1,377,976</u>

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2021 was \$7,668,653 as follows:

Equalized Valuation of the Village	\$ 415,255,600
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	20,762,780
Total Outstanding General Obligation Debt Applicable to Debt Limitation	<u>13,094,127</u>
Legal Margin for New Debt	<u>\$ 7,668,653</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Revenue Bonds

Revenue bonds outstanding on December 31, 2021 totaled \$1,697,182 and was comprised of the following issue:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/21</u>
Clean Water Fund Program Revenue Bonds	07/28/21	05/01/41	1.485%	\$ 1,697,182	<u>\$ 1,697,182</u>

Principal and interest maturities of the outstanding revenue bond of \$1,697,182 on December 31, 2021 are detailed below:

<u>Year Ending December 31,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 73,504	\$ 24,673	\$ 98,177
2023	74,596	23,558	98,154
2024	75,704	22,442	98,146
2025	76,828	21,309	98,137
2026	77,969	20,160	98,129
2027 - 2031	407,559	82,952	490,511
2032 - 2036	438,732	51,548	490,280
2037 - 2041	472,290	17,741	490,031
Total	<u>\$ 1,697,182</u>	<u>\$ 264,383</u>	<u>\$ 1,961,565</u>

Utility Revenues Pledged

The Village has pledged future sewer customer revenues, net of specified operating expenses, to repay the sewer system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from sewer customer net revenues and are payable through 2041. The total principal and interest remaining to be paid on the bonds is \$1,961,565. Principal and interest paid for the current year and total customer net revenues were \$3,634 and \$571,383, respectively.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans

Wisconsin Retirement System (WRS)

1. Plan Description

Wisconsin Retirement System (WRS) Pension 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 and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at <https://etf.wi.gov/publications/cafr.htm>.

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest 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 or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (WRS) (Continued)

2. 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>Adjustment %</u>	<u>Adjustment %</u>
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

3. 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, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the 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 year ending December 31, 2021, the WRS recognized \$36,430 in contributions from the Village.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (WRS) (Continued)

3. Contributions (Continued)

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

4. Pension Assets, Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Village reported an asset of \$196,277 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the Village's proportion was 0.00314389%, which was an increase of 0.00017629% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized pension revenue of \$19,800.

At December 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 284,073	\$ 61,188
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	368,494
Changes in Assumptions	4,451	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	3,208	224
Employer Contributions Subsequent to the Measurement Date	36,430	-
Total	<u>\$ 328,162</u>	<u>\$ 429,906</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (WRS) (Continued)

4. Pension Assets, Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

\$36,430 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2022	\$ (35,313)
2023	(9,090)
2024	(66,023)
2025	(27,748)
Total	<u>\$ (138,174)</u>

5. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*	1.9%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (WRS) (Continued)

5. Actuarial Assumptions (Continued)

Long-Term Expected Return on Plan Assets

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

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	51.0	7.2	4.7
Fixed Income	25.0	3.2	80.0
Inflation Sensitive Assets	16.0	2.0	(0.4)
Real Estate	8.0	5.6	3.1
Private Equity/Debt	11.0	10.2	7.6
Multi-Asset	4.0	5.8	3.3
Cash	(15.0)	0.9	N/A
Total Core Fund	<u>100.0</u>	6.6	4.1
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0	6.6	4.1
International Equities	30.0	7.4	4.9
Total Variable Fund	<u>100.0</u>	7.1	4.6

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

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

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities).

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Wisconsin Retirement System (WRS) (Continued)

5. Actuarial Assumptions (Continued)

Single Discount Rate(Continued)

Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan 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 liability.

Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's Proportionate Share of the Net Pension Liability (Asset)	\$ 186,828	\$ (196,277)	\$ (477,666)

Pension Plan Fiduciary Net Position

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

6. Payables to the Pension Plan

At December 31, 2021, the Village reported a payable of \$9,136 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2021.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

Defined Contribution Benefit Pension

The Village contributes to the Service Award Program (SAP), a defined contribution pension plan, for its volunteer firefighters, first responders and emergency medical technicians. SAP is administered by UBS Financial Services, Inc.

The Village determines annually the amount it will contribute on behalf of each individual in the program. Participants are fully vested to receive a service award once he or she attains 15 years of service for a municipality and paid a service award upon reaching age of 60. A participant who has discontinued providing eligible service after performing a minimum 10 years of service shall be partially vested and may elect to receive a partial service award at any time after reaching age 53. Nonvested accounts are forfeited if the individual ceases to perform creditable service for a period of 12 months or more and distributed equally among all other open accounts sponsored by the participating municipality at the time of the forfeiture.

For the year ended December 31, 2021, the Village contributed \$15,636 to the plan, and the Village recognized pension expense of \$15,636.

G. Other Postemployment Benefits

Local Retiree Life Insurance Fund (LRLIF)

Plan Description

The Local Retiree Life Insurance Fund (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 Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at <https://etf.wi.gov/publications/cafr.htm>.

Benefits Provided

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

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (LRLIF) (Continued)

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 postretirement benefit.

Employers are required to pay the following contributions 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 as of December 31, 2021 are:

Coverage Type	Employer Contribution
50% Post-Retirement Coverage	40% of Member Contribution
25% Post-Retirement Coverage	20% of Member Contribution

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 year ended December 31, 2020 are listed below:

Life Insurance Member Contribution Rates Year Ended December 31, 2020		
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

For the year ended December 31, 2021, the LRLIF recognized \$205 in contributions from the employer.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (LRLIF) (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2021, the Village reported a liability of \$42,471 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or benefits 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, 2020, the Village's proportion was 0.007721%, which was an increase of 0.000767% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized OPEB expense of \$3,401.

At December 31, 2021, 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	\$ -	\$ 2,027
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	619	-
Changes in Assumptions	16,522	2,914
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	2,151	9,560
Total	\$ 19,292	\$ 14,501

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (LRLIF) (Continued)

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

The Village did not have contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2022. Other Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2022	\$ 487
2023	420
2024	351
2025	287
2026	1,815
Thereafter	1,431
Total	<u><u>\$ 4,791</u></u>

Actuarial assumptions – The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2020
Actuarial Cost Method:	Entry age normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (LRLIF) (Continued)

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. The target allocation and expected return are summarized in the following table:

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return %</u>
U.S. Credit Bonds	Barclays Credit	50.0	1.47
U.S. Mortgages	Barclays MBS	50.0	0.82
Inflation			2.20
Long-term expected rate of return			4.25

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. 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.

Single discount rate – A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. 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.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (LRLIF) (Continued)

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

Sensitivity of the Village's proportionate share of 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 2.25%, 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 (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Village's Proportionate Share of the Net OPEB Liability (Asset)	\$ 57,773	\$ 42,471	\$ 30,899

Payable to the OPEB Plan

At December 31, 2021, the Village had no outstanding contribution to the plan required for the year ended December 31, 2021.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2021, nonspendable fund balance was as follows:

General Fund:		
Nonspendable:		
Inventories and Prepaid Items	\$	7,597
Marina Fund:		
Nonspendable:		
Inventories and Prepaid Items		<u>27,579</u>
Total Nonspendable Fund Balance	\$	<u><u>35,176</u></u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2021, restricted fund balance was as follows:

Capital Projects Fund:		
Restricted for:		
Capital Projects	\$	3,021,588
Debt Service Fund:		
Restricted Debt Service		<u>361,605</u>
Total Restricted Fund Balance	\$	<u><u>3,383,193</u></u>

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity (Continued)

Committed Fund Balance

Portions of governmental fund balances are committed by Village Board action. At December 31, 2021, fund balance was committed as follows:

Marina Fund:		
Committed for Marina Operations	\$	106,006
Room Tax Fund:		
Committed for Room Tax Operations		144,566
Joint Operations Fund:		
Committed for Joint Operations		<u>46,533</u>
Total	\$	<u><u>297,105</u></u>

NOTE 4 OTHER INFORMATION

A. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded coverage amounts in any of the last three fiscal years.

B. Contingencies

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

REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF EGG HARBOR, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
WISCONSIN RETIREMENT SYSTEM
LAST 10 MEASUREMENT PERIODS**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.00323978%	\$ (79,578)	\$ 440,087	18.08%	102.74%
12/31/15	0.00314179%	51,053	425,911	11.99%	98.20%
12/31/16	0.00303002%	24,975	425,750	5.87%	99.12%
12/31/17	0.00297090%	(88,209)	440,970	20.00%	102.93%
12/31/18	0.00297763%	105,934	463,635	22.85%	96.45%
12/31/19	0.00296760%	(95,688)	467,268	20.48%	102.96%
12/31/20	0.00314389%	(196,277)	579,479	33.87%	105.26%

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 28,962	\$ 28,962	\$ -	\$ 425,911	6.80%
12/31/16	28,099	28,099	-	425,750	6.60%
12/31/17	29,986	29,986	-	440,970	6.80%
12/31/18	31,063	31,063	-	463,635	6.70%
12/31/19	30,606	30,606	-	467,268	6.55%
12/31/20	39,115	39,115	-	579,480	6.75%
12/31/21	36,430	36,430	-	539,700	6.75%

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF EGG HARBOR, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 MEASUREMENT PERIODS**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

Plan Fiscal Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.01165400%	\$ 35,062	\$ 440,970	7.95%	44.81%
12/31/18	0.00892800%	23,037	463,635	4.97%	48.69%
12/31/19	0.00695400%	29,611	467,268	6.34%	37.58%
12/31/20	0.00772100%	42,471	473,000	8.98%	31.36%

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	\$ 221	\$ 221	\$ -	\$ 463,635	0.05%
12/31/19	136	136	-	467,268	0.03%
12/31/20	160	160	-	579,480	0.03%
12/31/21	205	205	-	539,700	0.04%

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021**

A. PENSION

Wisconsin Retirement System

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

Changes of Assumptions. No significant change in assumptions were noted from the prior year.

The amounts reported 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 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

B. OTHER POSTEMPLOYMENT BENEFIT PLAN

Local Retiree Life Insurance Fund

Change in Benefit Terms. There were no changes of benefit terms for any participating employer in Local Retiree Life Insurance Fund.

Changes of Assumptions. The Single Discount Rate assumption used to develop Total OPEB Liability changed from the prior year. Please refer to the Actuarial Assumptions section above for additional details.

The amounts reported 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 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

SUPPLEMENTARY INFORMATION

**VILLAGE OF EGG HARBOR, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance	2020 Actual
	Original	Final		Final Budget - Positive (Negative)	
Taxes:					
Property Tax	\$ 629,958	\$ 629,958	\$ 632,822	\$ 2,864	\$ 624,460
Managed Forest Land Taxes	9	9	110	101	90
Total Taxes	<u>629,967</u>	<u>629,967</u>	<u>632,932</u>	<u>2,965</u>	<u>624,550</u>
Intergovernmental:					
State:					
Shared Taxes	2,104	2,104	5,549	3,445	5,549
Exempt Computer Aid	347	347	347	-	347
Fire Insurance	12,000	12,000	13,110	1,110	12,182
Transportation	51,975	51,975	57,162	5,187	54,595
Other State Grants	-	-	11,636	11,636	5,000
Total Intergovernmental	<u>66,426</u>	<u>66,426</u>	<u>87,804</u>	<u>21,378</u>	<u>77,673</u>
Licenses and Permits:					
Liquor Licenses	4,000	4,000	17,708	13,708	3,940
Operator's Licenses	1,200	1,200	1,075	(125)	1,045
Tobacco Licenses	50	50	50	-	50
Dog Licenses	30	30	5	(25)	20
Business Licenses	6,500	6,500	5,200	(1,300)	2,975
Zoning Administration	6,500	6,500	17,963	11,463	8,181
Cable Franchise Fees	7,434	7,434	6,959	(475)	8,131
Building Inspections	14,000	14,000	34,972	20,972	17,781
Other Licenses and Permits	500	500	150	(350)	-
Total Licenses and Permits	<u>40,214</u>	<u>40,214</u>	<u>84,082</u>	<u>43,868</u>	<u>42,123</u>
Public Charges for Services:					
Parks Use Fees	200	200	1,173	973	7
Park Concessions	8,300	8,300	5,045	(3,255)	8,332
Total Public Charges for Services	<u>8,500</u>	<u>8,500</u>	<u>6,218</u>	<u>(2,282)</u>	<u>8,339</u>
Intergovernmental Charges for Services:					
Town Share of Recycling	<u>10,000</u>	<u>10,000</u>	<u>2,414</u>	<u>(7,586)</u>	<u>6,163</u>
Miscellaneous:					
Interest on Investments	10,000	10,000	1,855	(8,145)	12,240
Donations	1,000	1,000	11,225	10,225	5,300
Recycling Rebates	1,115	1,115	1,794	679	1,115
Community Building Rent	21,600	21,600	23,400	1,800	19,788
Insurance Dividends	500	500	7,375	6,875	429
Miscellaneous	1,000	1,000	5,600	4,600	4,537
Total Miscellaneous	<u>35,215</u>	<u>35,215</u>	<u>51,249</u>	<u>16,034</u>	<u>43,409</u>
Total Revenues	<u>\$ 790,322</u>	<u>\$ 790,322</u>	<u>\$ 864,699</u>	<u>\$ 74,377</u>	<u>\$ 802,257</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance	2020 Actual
	Original	Final		Final Budget - Positive (Negative)	
General Government:					
Village Board	\$ 17,477	\$ 17,477	\$ 17,381	\$ 96	\$ 17,646
General Administration	214,706	214,706	172,257	42,449	208,955
Financial Administration	1,300	1,300	4,472	(3,172)	1,227
Revaluation	11,000	11,000	12,000	(1,000)	11,000
Professional Services	12,000	12,000	18,725	(6,725)	23,936
Legal and Audit	35,000	35,000	53,361	(18,361)	50,442
Elections	2,150	2,150	1,673	477	3,477
Property and Liability Insurance	25,000	25,000	26,555	(1,555)	29,530
Annexation Payments	-	-	-	-	164
Office Expenses	57,336	57,336	61,607	(4,271)	71,352
Total General Government	375,969	375,969	368,031	7,938	417,729
Public Safety:					
Building Inspection	13,000	13,000	20,986	(7,986)	14,377
Police Protection	1,000	1,000	2,134	(1,134)	423
Total Public Safety	14,000	14,000	23,120	(9,120)	14,800
Public Works:					
General Maintenance	199,749	199,749	203,282	(3,533)	168,994
Street Maintenance	28,668	28,668	11,350	17,318	20,338
Street Lighting	10,500	10,500	8,749	1,751	8,049
Recycling	25,789	25,789	12,504	13,285	16,799
Snow Removal	40,500	40,500	22,280	18,220	25,819
Weed Control	5,000	5,000	908	4,092	1,356
Sidewalks	3,000	3,000	-	3,000	-
Total Public Works	313,206	313,206	259,073	54,133	241,355
Health and Human Services:					
Animal Control	2,400	2,400	1,429	971	2,127
Culture and Recreation:					
Community Center	12,779	12,779	1,593	11,186	6,847
Parks	103,241	103,241	46,221	57,020	83,944
Visitor's Center	50	50	177	(127)	85
Total Culture and Recreation	116,070	116,070	47,991	68,079	90,876
Conservation and Development:					
Engineering	-	-	1,197	(1,197)	-
Zoning Administration	15,000	15,000	54,705	(39,705)	29,146
Planning Commission	2,688	2,688	5,361	(2,673)	32,840
Total Conservation and Development	17,688	17,688	61,263	(43,575)	61,986
Total Expenditures	\$ 839,333	\$ 839,333	\$ 760,907	\$ 78,426	\$ 828,873

**VILLAGE OF EGG HARBOR, WISCONSIN
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2021**

	Special Revenue			
ASSETS	Room Tax and Restricted Donations Fund	Joint Operations	Totals	2020
Cash and Investments	\$ 144,637	\$ 50,416	\$ 195,053	\$ 182,235
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 71	\$ 2,396	\$ 2,467	\$ 5,966
Accrued and Other Current Liabilities	-	1,487	1,487	2,415
Total Liabilities	71	3,883	3,954	8,381
FUND BALANCES				
Committed	144,566	46,533	191,099	173,854
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 144,637	\$ 50,416	\$ 195,053	\$ 182,235

**VILLAGE OF EGG HARBOR, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Special Revenue		Totals	2020
	Room Tax and Restricted Donations Fund	Joint Operations		
REVENUES				
Taxes	\$ 169,561	\$ -	\$ 169,561	\$ 115,516
Intergovernmental	-	675	675	1,773
Public Charges for Services	819	75	894	5,580
Miscellaneous	86,183	699	86,882	44,794
Total Revenues	256,563	1,449	258,012	167,663
EXPENDITURES				
Current:				
Public Safety	-	94,904	94,904	103,513
Health and Human Services	-	2,020	2,020	3,510
Culture and Recreation	109,721	764	110,485	22,868
Conservation and Development	35,000	-	35,000	30,000
Total Expenditures	144,721	97,688	242,409	159,891
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	111,842	(96,239)	15,603	7,772
OTHER FINANCING SOURCES (USES)				
Transfers In	-	92,792	92,792	82,147
Transfers Out	(91,150)	-	(91,150)	(167,477)
Total Other Financing Sources (Uses)	(91,150)	92,792	1,642	(85,330)
NET CHANGE IN FUND BALANCES	20,692	(3,447)	17,245	(77,558)
Fund Balances - January 1	123,874	49,980	173,854	251,412
FUND BALANCES - DECEMBER 31	\$ 144,566	\$ 46,533	\$ 191,099	\$ 173,854

VILLAGE OF EGG HARBOR, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – ROOM TAX AND RESTRICTED DONATION FUND
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive	2020
	Original	Final		(Negative)	
REVENUES					
Taxes	\$ 131,000	\$ 131,000	\$ 169,561	\$ 38,561	\$ 115,516
Public Charges for Services	-	-	819	819	4,680
Miscellaneous	77,300	77,300	86,183	8,883	44,440
Total Revenues	<u>208,300</u>	<u>208,300</u>	<u>256,563</u>	<u>48,263</u>	<u>164,636</u>
EXPENDITURES					
Current:					
Culture and Recreation	93,150	93,150	109,721	(16,571)	21,762
Conservation and Development	35,000	35,000	35,000	-	30,000
Total Expenditures	<u>128,150</u>	<u>128,150</u>	<u>144,721</u>	<u>(16,571)</u>	<u>51,762</u>
EXCESS OF REVENUES OVER EXPENDITURES	80,150	80,150	111,842	31,692	112,874
OTHER FINANCING USES					
Transfers Out	<u>(78,774)</u>	<u>(78,774)</u>	<u>(91,150)</u>	<u>(12,376)</u>	<u>(167,477)</u>
NET CHANGE IN FUND BALANCE	1,376	1,376	20,692	19,316	(54,603)
Fund Balance - January 1	<u>123,874</u>	<u>123,874</u>	<u>123,874</u>	<u>-</u>	<u>178,477</u>
FUND BALANCE - DECEMBER 31	<u>\$ 125,250</u>	<u>\$ 125,250</u>	<u>\$ 144,566</u>	<u>\$ 19,316</u>	<u>\$ 123,874</u>

VILLAGE OF EGG HARBOR, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – JOINT OPERATIONS FUND
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	2020
	Original	Final			
REVENUES					
Intergovernmental	\$ 15,000	\$ 15,000	\$ 675	\$ (14,325)	\$ 1,773
Public Charges for Services	-	-	75	75	900
Miscellaneous	500	500	699	199	354
Total Revenues	15,500	15,500	1,449	(14,051)	3,027
EXPENDITURES					
Current:					
Public Safety	-	-	94,904	(94,904)	103,513
Health and Human Services	-	-	2,020	(2,020)	3,510
Culture and Recreation	-	-	764	(764)	1,106
Total Expenditures	-	-	97,688	(97,688)	108,129
EXCESS OF REVENUES UNDER EXPENDITURES	15,500	15,500	(96,239)	(111,739)	(105,102)
OTHER FINANCING SOURCES					
Transfers In	82,147	82,147	92,792	10,645	82,147
NET CHANGE IN FUND BALANCE	97,647	97,647	(3,447)	(101,094)	(22,955)
Fund Balance - January 1	49,980	49,980	49,980	-	72,935
FUND BALANCE - DECEMBER 31	<u>\$ 147,627</u>	<u>\$ 147,627</u>	<u>\$ 46,533</u>	<u>\$ (101,094)</u>	<u>\$ 49,980</u>

VILLAGE OF EGG HARBOR, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with	2020
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes	\$ 75,000	\$ 75,000	\$ 75,000	\$ -	\$ 75,000
Intergovernmental	-	-	249,000	249,000	22,525
Miscellaneous	-	-	(1,205)	(1,205)	-
Total Revenues	75,000	75,000	322,795	247,795	97,525
EXPENDITURES					
Current:					
General Government	5,000	5,000	468	4,532	11,895
Public Works	900,000	900,000	419,201	480,799	84,943
Culture and Recreation	1,068,000	1,068,000	790,594	277,406	750,300
Debt Service:					
Interest and Fiscal Charges	-	-	138,569	(138,569)	-
Capital Outlay	2,920,000	2,920,000	1,613,122	1,306,878	731,223
Total Expenditures	4,893,000	4,893,000	2,961,954	1,931,046	1,578,361
EXCESS OF REVENUES UNDER EXPENDITURES	(4,818,000)	(4,818,000)	(2,639,159)	2,178,841	(1,480,836)
OTHER FINANCING SOURCES					
Long-Term Debt Issued	-	-	5,064,305	5,064,305	-
NET CHANGE IN FUND BALANCE	(4,818,000)	(4,818,000)	2,425,146	7,243,146	(1,480,836)
Fund Balance - January 1, as Originally Stated	2,167,847	2,167,847	596,442	(1,571,405)	2,167,847
Prior Period Adjustment	-	-	-	-	(90,569)
Fund Balance- January 1	2,167,847	2,167,847	596,442	(1,571,405)	2,077,278
FUND BALANCE - DECEMBER 31	\$ (2,650,153)	\$ (2,650,153)	\$ 3,021,588	\$ 5,671,741	\$ 596,442

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



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

Village Board
Village of Egg Harbor, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Egg Harbor, Wisconsin, (the Village) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 27, 2022.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2021-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2020-001 to be a significant deficiency.

Report on Compliance and Other Matters

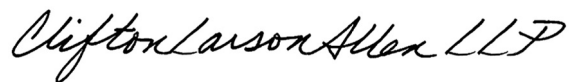
As part of obtaining reasonable assurance about whether the Village’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Village of Egg Harbor, Wisconsin’s Response to Findings

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 27, 2022

**VILLAGE OF EGG HARBOR, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2021**

Section I – Summary of Auditors’ Results

Finding No.	Control Deficiencies
2021-001	Preparation of Annual Financial Report Repeat of Finding 2020-001
Type of Finding:	Significant Deficiency in Internal Control Over Financial Reporting
Condition:	Current Village staff maintains accounting records which reflect the Village’s financial transactions; however, preparing the Village’s annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Village contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the Village’s internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the Village has implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.
Criteria:	The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.
Cause:	Village management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Effect:	Without our involvement, the Village may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the Village continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the Village’s activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the Village is necessary to obtain a complete and adequate understanding of the Village’s annual financial report.
Management Response:	The Village will continue to review and approve all adjustments and annual financial report prior to recording and issuance, respectively.

**VILLAGE OF EGG HARBOR, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

FINDING NO.	FINANCIAL STATEMENT FINDINGS
2021-002	Adjustments to the City's Financial Records Repeat of Finding 2020-002
Type of Finding:	Material Weakness in Internal Control over Financial Reporting.
Condition:	As part of our audit, we proposed adjusting journal entries that were material to the Village's financial statements.
Criteria:	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	While Village staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.
Effect:	Year-end financial records prepared by the Village may contain material misstatements.
Recommendation:	We recommend the Village designate an individual to obtain additional training in order to prepare the adjusting and closing entries. We are available to assist the individual in obtaining the understanding to prepare these entries.
Management Response:	Management will thoroughly review the year-end adjusting and closing entries and will work with CLA to identify opportunities to reduce number and significance of year-end adjusting and closing entries.

Section II – Compliance and Other Matters

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards for the year ended December 31, 2021.



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