

VILLAGE OF EGG HARBOR, WISCONSIN

**FINANCIAL STATEMENT AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

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

**VILLAGE OF EGG HARBOR, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023**

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 – GOVERNMENTAL FUNDS	12
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	13
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – MARINA FUND	14
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – PAVILION/LIBRARY FUND	15
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – ROOM TAX AND RESTRICTED DONATION 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	21
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND – CUSTODIAL	22
NOTES TO BASIC FINANCIAL STATEMENTS	23

**VILLAGE OF EGG HARBOR, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) – WISCONSIN RETIREMENT SYSTEM	60
SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM	60
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY (ASSET) – LOCAL RETIREE LIFE INSURANCE FUND	61
SCHEDULE OF CONTRIBUTIONS – LOCAL RETIREE LIFE INSURANCE FUND	61
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	62

SUPPLEMENTARY INFORMATION

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES	65
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES	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 Audit of the Financial Statements

Opinions

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

In our opinion, the 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, marina fund, pavilion/library fund, and room tax and restricted donation 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.

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.

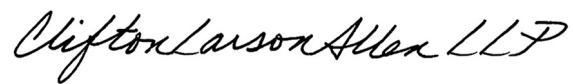
Supplementary Information

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.

Village Board
Village of Egg Harbor, Wisconsin

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2024, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Green Bay, Wisconsin
April 17, 2024

BASIC FINANCIAL STATEMENTS

**VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 6,784,828	\$ 2,787,195	\$ 9,572,023
Receivables:			
Taxes and Special Charges	1,787,634	-	1,787,634
Accounts	21,417	221,220	242,637
Special Assessments	-	34,751	34,751
Leases	211,177	-	211,177
Pledges	70,000	-	70,000
Inventories and Prepaid Items	109,581	13,616	123,197
Restricted Assets:			
Cash and Investments	-	599,792	599,792
Capital Assets, Nondepreciable	10,055,284	4,227,306	14,282,590
Capital Assets, Depreciable	17,499,602	5,110,273	22,609,875
Total Assets	36,539,523	12,994,153	49,533,676
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	400,879	231,694	632,573
Other Postemployment Related Amounts	20,701	11,824	32,525
Total Deferred Outflows of Resources	421,580	243,518	665,098
LIABILITIES			
Accounts Payable	211,329	230,913	442,242
Accrued and Other Current Liabilities	24,641	-	24,641
Accrued Interest Payable	211,523	11,368	222,891
Special Deposits	293,688	-	293,688
Long-Term Obligations:			
Due within One Year	1,034,552	177,733	1,212,285
Due in More than One Year	18,149,141	3,705,216	21,854,357
Net Pension Liability	107,830	61,738	169,568
Net Other Postemployment Benefits	28,757	16,424	45,181
Total Liabilities	20,061,461	4,203,392	24,264,853
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	2,312,041	-	2,312,041
Leases	211,177	-	211,177
Pension Related Amounts	227,506	130,258	357,764
Other Postemployment Related Amounts	23,121	13,206	36,327
Total Deferred Inflows of Resources	2,773,845	143,464	2,917,309
NET POSITION			
Net Investment in Capital Assets	12,162,410	5,237,571	17,399,981
Restricted:			
Special Projects	290,998	-	290,998
Debt Service	446,403	-	446,403
Future Capital Projects	222,780	-	222,780
Equipment Replacement	-	599,792	599,792
Unrestricted	1,003,206	3,053,452	4,056,658
Total Net Position	\$ 14,125,797	\$ 8,890,815	\$ 23,016,612

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 472,736	\$ 140,579	\$ -	\$ -
Public Safety	240,476	220	14,978	-
Public Works	645,490	-	-	-
Health and Human Services	4,388	-	-	-
Culture and Recreation	1,613,045	723,294	163,724	10,438
Conservation and Development	80,757	-	-	-
Interest and Fiscal Charges	580,356	-	-	-
Total Governmental Activities	<u>3,637,248</u>	<u>864,093</u>	<u>178,702</u>	<u>10,438</u>
BUSINESS-TYPE ACTIVITIES				
Sewer Utility	<u>1,211,905</u>	<u>1,064,914</u>	<u>-</u>	<u>1,588,711</u>
Total	<u>\$ 4,849,153</u>	<u>\$ 1,929,007</u>	<u>\$ 178,702</u>	<u>\$ 1,599,149</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Totals
GOVERNMENTAL ACTIVITIES			
General Government	\$ (332,157)	\$ -	\$ (332,157)
Public Safety	(225,278)	-	(225,278)
Public Works	(645,490)	-	(645,490)
Health and Human Services	(4,388)	-	(4,388)
Culture and Recreation	(715,589)	-	(715,589)
Conservation and Development	(80,757)	-	(80,757)
Interest and Fiscal Charges	(580,356)	-	(580,356)
Total Governmental Activities	(2,584,015)	-	(2,584,015)
BUSINESS-TYPE ACTIVITIES			
Sewer Utility	-	1,441,720	1,441,720
Total	(2,584,015)	1,441,720	(1,142,295)
GENERAL REVENUES			
Taxes:			
Property Taxes, Levied for General Purposes	651,207	-	651,207
Property Taxes, Levied for Specific Purposes	531,624	-	531,624
Other Taxes	274,045	-	274,045
Federal and State Grants and Other Contributions not Restricted to Specific Functions	89,885	-	89,885
Interest and Investment Earnings	288,967	25,455	314,422
Miscellaneous	121,981	7,370	129,351
Total General Revenues	1,957,709	32,825	1,990,534
CHANGE IN NET POSITION	(626,306)	1,474,545	848,239
Net Position - January 1	14,752,103	7,416,270	22,168,373
NET POSITION - DECEMBER 31	<u>\$ 14,125,797</u>	<u>\$ 8,890,815</u>	<u>\$ 23,016,612</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF EGG HARBOR, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Special Revenue						Special Revenue	Totals
	General	Marina	Pavilion/ Library	Room Tax and Restricted Donations	Capital Projects	Debt Service	Nonmajor Fund Joint Operations	
ASSETS								
Cash and Investments	\$ 834,882	\$ 299,287	\$ 280,406	\$ 192,351	\$ 4,146,752	\$ 985,289	\$ 45,861	\$ 6,784,828
Receivables:								
Taxes and Special Charges	520,925	-	92,782	-	57,989	1,115,938	-	1,787,634
Accounts	1,074	-	1,102	19,241	-	-	-	21,417
Leases	211,177	-	-	-	-	-	-	211,177
Pledges	-	-	-	70,000	-	-	-	70,000
Due from Other Funds	143,036	-	-	-	-	-	-	143,036
Inventories and Prepaid Items	78,494	29,331	1,756	-	-	-	-	109,581
Total Assets	<u>\$ 1,789,588</u>	<u>\$ 328,618</u>	<u>\$ 376,046</u>	<u>\$ 281,592</u>	<u>\$ 4,204,741</u>	<u>\$ 2,101,227</u>	<u>\$ 45,861</u>	<u>\$ 9,127,673</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ 29,022	\$ 51,033	\$ 13,306	\$ 594	\$ 115,744	\$ -	\$ 1,630	\$ 211,329
Accrued and Other Current Liabilities	22,528	-	-	-	-	-	2,113	24,641
Due to Other Funds	-	63,935	79,101	-	-	-	-	143,036
Special Deposits	4,526	95,195	152,833	-	-	-	-	252,554
Total Liabilities	56,076	210,163	245,240	594	115,744	-	3,743	631,560
DEFERRED INFLOWS OF RESOURCES								
Property Taxes Levied for Subsequent Year	673,740	-	120,000	-	75,000	1,443,301	-	2,312,041
Leases Receivable	211,177	-	-	-	-	-	-	211,177
Pledges Receivable	-	-	-	70,000	-	-	41,134	111,134
Total Deferred Inflows of Resources	884,917	-	120,000	70,000	75,000	1,443,301	41,134	2,634,352
FUND BALANCES								
Nonspendable	78,494	29,331	1,756	-	-	-	-	109,581
Restricted	-	-	-	210,998	4,013,997	657,926	-	4,882,921
Committed	-	89,124	9,050	-	-	-	-	98,174
Unassigned	770,101	-	-	-	-	-	984	771,085
Total Fund Balances	848,595	118,455	10,806	210,998	4,013,997	657,926	984	5,861,761
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,789,588</u>	<u>\$ 328,618</u>	<u>\$ 376,046</u>	<u>\$ 281,592</u>	<u>\$ 4,204,741</u>	<u>\$ 2,101,227</u>	<u>\$ 45,861</u>	<u>\$ 9,127,673</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF EGG HARBOR, WISCONSIN
RECONCILIATION TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as Shown on Previous Page	\$ 5,861,761
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.	27,554,886
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 Inflows Related to Pledges	70,000
Deferred Outflows Related to Pensions	400,879
Deferred Inflows Related to Pensions	(227,506)
Deferred Outflows Related to Other Postemployment Benefits	20,701
Deferred Inflows Related to Other Postemployment Benefits	(23,121)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and Notes Payable	(18,275,876)
Discount on Debt	3,828
Premium on Debt	(911,645)
Net Pension Liability	(107,830)
Net Other Postemployment Benefit	(28,757)
Accrued Interest on Long-Term Obligations	<u>(211,523)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position	<u>\$ 14,125,797</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Special Revenue						Special Revenue	Totals
	General	Marina	Pavilion/ Library	Room Tax and Restricted Donations	Capital Projects	Debt Service	Nonmajor Fund: Joint Operations	
REVENUES								
Taxes	\$ 651,207	\$ -	\$ 120,000	\$ 274,045	\$ 75,000	\$ 336,624	\$ -	\$ 1,456,876
Intergovernmental	96,971	-	-	-	10,438	-	7,892	115,301
Licenses and Permits	136,289	-	-	-	-	-	-	136,289
Fines and Forfeits	220	-	-	-	-	-	-	220
Public Charges for Services	3,364	570,694	146,210	8,514	-	-	600	729,382
Intergovernmental Charges for Services	4,290	-	-	-	-	-	-	4,290
Miscellaneous	145,076	1,445	28,368	210,339	186,591	-	7,404	579,223
Total Revenues	<u>1,037,417</u>	<u>572,139</u>	<u>294,578</u>	<u>492,898</u>	<u>272,029</u>	<u>336,624</u>	<u>15,896</u>	<u>3,021,581</u>
EXPENDITURES								
Current:								
General Government	431,558	-	-	-	-	-	-	431,558
Public Safety	44,260	-	-	-	-	-	148,399	192,659
Public Works	323,475	-	-	-	16,726	-	-	340,201
Health and Human Services	2,222	-	-	-	-	-	2,081	4,303
Culture and Recreation	23,853	572,288	291,455	335,981	-	-	846	1,224,423
Conservation and Development	45,045	-	-	34,442	-	-	-	79,487
Debt Service:								
Principal	-	-	-	-	-	1,134,777	-	1,134,777
Interest and Fiscal Charges	-	-	-	-	8,504	468,545	-	477,049
Capital Outlay	-	4,417	-	-	3,547,589	-	-	3,552,006
Total Expenditures	<u>870,413</u>	<u>576,705</u>	<u>291,455</u>	<u>370,423</u>	<u>3,572,819</u>	<u>1,603,322</u>	<u>151,326</u>	<u>7,436,463</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	167,004	(4,566)	3,123	122,475	(3,300,790)	(1,266,698)	(135,430)	(4,414,882)
OTHER FINANCING SOURCES (USES)								
Long-Term Debt Issued	-	-	-	-	7,500,000	527,310	-	8,027,310
Transfers In	188,000	-	-	-	-	1,085,000	137,302	1,410,302
Transfers Out	(101,410)	(85,000)	-	(188,000)	(1,035,892)	-	-	(1,410,302)
Total Other Financing Sources (Uses)	<u>86,590</u>	<u>(85,000)</u>	<u>-</u>	<u>(188,000)</u>	<u>6,464,108</u>	<u>1,612,310</u>	<u>137,302</u>	<u>8,027,310</u>
NET CHANGE IN FUND BALANCES	253,594	(89,566)	3,123	(65,525)	3,163,318	345,612	1,872	3,612,428
Fund Balances- January 1	595,001	208,021	7,683	276,523	850,679	312,314	(888)	2,249,333
FUND BALANCES - DECEMBER 31	<u>\$ 848,595</u>	<u>\$ 118,455</u>	<u>\$ 10,806</u>	<u>\$ 210,998</u>	<u>\$ 4,013,997</u>	<u>\$ 657,926</u>	<u>\$ 984</u>	<u>\$ 5,861,761</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, 2023**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as Shown on Previous Page \$ 3,612,428

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets Reported as Expenditures in Governmental Fund Statements	3,623,908
Depreciation Expense Reported in the Statement of Activities	(822,918)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	(10,000)
---	----------

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	(7,500,000)
Premium on Debt Issued	(527,310)
Principal Repaid	1,134,777

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	(133,883)
Amortization of Premiums and Discounts	30,576
Net Pension Liability	(270,526)
Deferred Outflows of Resources Related to Pensions	83,795
Deferred Inflows of Resources Related to Pensions	156,052
Net Other Postemployment Benefits	7,962
Deferred Outflows of Resources Related to Other Postemployment Benefits	3,604
Deferred Inflows of Resources Related to Other Postemployment Benefits	<u>(14,771)</u>

Change in Net Position of Governmental Activities as Reported in the Statement of Activities	<u>\$ (626,306)</u>
--	---------------------

**VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 651,215	\$ 651,215	\$ 651,207	\$ (8)
Intergovernmental	94,493	94,493	96,971	2,478
Licenses and Permits	70,380	70,380	136,289	65,909
Fines and Forfeits	-	-	220	220
Public Charges for Services	3,500	3,500	3,364	(136)
Intergovernmental Charges for Services	14,000	14,000	4,290	(9,710)
Miscellaneous	28,100	28,100	145,076	116,976
Total Revenues	<u>861,688</u>	<u>861,688</u>	<u>1,037,417</u>	<u>175,729</u>
EXPENDITURES				
Current:				
General Government	419,748	419,748	431,558	(11,810)
Public Safety	125,061	125,061	44,260	80,801
Public Works	427,213	427,213	323,475	103,738
Health and Human Services	2,565	2,565	2,222	343
Culture and Recreation	32,258	32,258	23,853	8,405
Conservation and Development	30,850	30,850	45,045	(14,195)
Total Expenditures	<u>1,037,695</u>	<u>1,037,695</u>	<u>870,413</u>	<u>167,282</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(176,007)	(176,007)	167,004	343,011
OTHER FINANCING SOURCES (USES)				
Transfers In	188,000	188,000	188,000	-
Transfers Out	-	-	(101,410)	(101,410)
Total Other Financing Sources (Uses)	<u>188,000</u>	<u>188,000</u>	<u>86,590</u>	<u>(101,410)</u>
NET CHANGE IN FUND BALANCE	11,993	11,993	253,594	241,601
Fund Balance - January 1	<u>595,001</u>	<u>595,001</u>	<u>595,001</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 606,994</u>	<u>\$ 606,994</u>	<u>\$ 848,595</u>	<u>\$ 241,601</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Public Charges for Services	\$ 557,544	\$ 557,544	\$ 570,694	\$ 13,150
Miscellaneous	1,000	1,000	1,445	445
Total Revenues	<u>558,544</u>	<u>558,544</u>	<u>572,139</u>	<u>13,595</u>
EXPENDITURES				
Current:				
Culture and Recreation	458,258	458,258	572,288	(114,030)
Capital Outlay	9,000	9,000	4,417	4,583
Total Expenditures	<u>467,258</u>	<u>467,258</u>	<u>576,705</u>	<u>(109,447)</u>
EXCESS OF REVENUES OVER EXPENDITURES	91,286	91,286	(4,566)	(95,852)
OTHER FINANCING USES				
Transfers Out	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	6,286	6,286	(89,566)	(95,852)
Fund Balance - January 1	<u>208,021</u>	<u>208,021</u>	<u>208,021</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u><u>\$ 214,307</u></u>	<u><u>\$ 214,307</u></u>	<u><u>\$ 118,455</u></u>	<u><u>\$ (95,852)</u></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 – PAVILION/LIBRARY FUND
YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 120,000	\$ 120,000	\$ 120,000	\$ -
Public Charges for Services	162,500	162,500	146,210	(16,290)
Miscellaneous	70,500	70,500	28,368	(42,132)
Total Revenues	<u>353,000</u>	<u>353,000</u>	<u>294,578</u>	<u>(58,422)</u>
EXPENDITURES				
Current:				
Culture and Recreation	<u>344,571</u>	<u>344,571</u>	<u>291,455</u>	<u>53,116</u>
NET CHANGE IN FUND BALANCE	8,429	8,429	3,123	(5,306)
Fund Balance - January 1	<u>7,683</u>	<u>7,683</u>	<u>7,683</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u><u>\$ 16,112</u></u>	<u><u>\$ 16,112</u></u>	<u><u>\$ 10,806</u></u>	<u><u>\$ (5,306)</u></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 – ROOM TAX AND RESTRICTED DONATION FUND
YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 250,000	\$ 250,000	\$ 274,045	\$ 24,045
Public Charges for Services	-	-	8,514	8,514
Miscellaneous	206,600	206,600	210,339	3,739
Total Revenues	<u>456,600</u>	<u>456,600</u>	<u>492,898</u>	<u>36,298</u>
EXPENDITURES				
Current:				
Culture and Recreation	233,475	233,475	335,981	(102,506)
Conservation and Development	30,000	30,000	34,442	(4,442)
Total Expenditures	<u>263,475</u>	<u>263,475</u>	<u>370,423</u>	<u>(106,948)</u>
EXCESS OF REVENUES OVER EXPENDITURES	193,125	193,125	122,475	(70,650)
OTHER FINANCING USES				
Transfers Out	<u>(188,000)</u>	<u>(188,000)</u>	<u>(188,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	5,125	5,125	(65,525)	(70,650)
Fund Balance - January 1	<u>276,523</u>	<u>276,523</u>	<u>276,523</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 281,648</u>	<u>\$ 281,648</u>	<u>\$ 210,998</u>	<u>\$ (70,650)</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUND – SEWER UTILITY
DECEMBER 31, 2023**

ASSETS

Current Assets:	
Cash and Investments	\$ 2,787,195
Receivables:	
Customer Accounts	221,220
Special Assessments	34,751
Inventories and Prepaid Items	13,616
Total Current Assets	3,056,782
Noncurrent Assets:	
Restricted Assets:	
Cash and Investments	599,792
Capital Assets:	
Nondepreciable	4,227,306
Depreciable	5,110,273
Total Capital Assets	9,337,579
Total Assets	12,994,153

DEFERRED OUTFLOWS OF RESOURCES

Pension Related Amounts	231,694
Other Postemployment Related Amounts	11,824
Total Deferred Outflows of Resources	243,518

LIABILITIES

Current Liabilities:	
Accounts Payable	230,913
Current Portion of Long-Term Debt	177,733
Accrued Interest Payable	11,368
Total Current Liabilities	420,014
Long-Term Obligations:	
General Obligation Debt	3,705,216
Net Pension Liability	61,738
Net Other Postemployment Benefits	16,424
Total Long-Term Liabilities	3,783,378
Total Liabilities	4,203,392

DEFERRED INFLOWS OF RESOURCES

Pension Related Amounts	130,258
Other Postemployment Related Amounts	13,206
Total Deferred Inflows of Resources	143,464

NET POSITION

Net Investment in Capital Assets	5,237,571
Restricted for Equipment Replacement	599,792
Unrestricted	3,053,452
Total Net Position	\$ 8,890,815

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, 2023**

OPERATING REVENUES	
Charges for Services	\$ 1,064,914
Other Sewerage Revenues	<u>5,603</u>
Total Operating Revenues	1,070,517
OPERATING EXPENSES	
Operation and Maintenance	697,044
Depreciation	<u>471,581</u>
Total Operating Expenses	<u>1,168,625</u>
OPERATING LOSS	(98,108)
NONOPERATING REVENUES (EXPENSES)	
Interest Income	25,455
Interest and Fiscal Charges	(43,280)
Other	<u>1,767</u>
Total Nonoperating Revenues (Expenses)	<u>(16,058)</u>
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(114,166)
Capital Contributions	<u>1,588,711</u>
CHANGE IN NET POSITION	1,474,545
Net Position - January 1	<u>7,416,270</u>
NET POSITION - DECEMBER 31	<u><u>\$ 8,890,815</u></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, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 1,067,273
Cash Paid for Employee Wages and Benefits	(231,823)
Cash Paid to Suppliers	(447,559)
Net Cash Provided by Operating Activities	387,891
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Nonoperating Revenue	1,767
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(3,513,729)
Capital Contributions	1,592,200
Proceeds from Debt	2,116,625
Principal Paid on Long-Term Debt	(85,057)
Interest Paid on Long-Term Debt	(36,494)
Net Cash Provided by Capital and Related Financing Activities	73,545
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	25,455
 CHANGE IN CASH AND INVESTMENTS	
	488,658
Cash and Investments - January 1	2,898,329
 CASH AND INVESTMENTS - DECEMBER 31	 \$ 3,386,987

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND – SEWER UTILITY (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

**RECONCILIATION OF OPERATING LOSS TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

men	\$ (98,108)
Adjustments to Reconcile Net Loss to Net Cash	
Provided by Operating Activities:	
Depreciation	471,582
Change in Net Pension Asset/Liability	155,259
Change in Pension Deferred Outflows of Resources	(39,639)
Change in Pension Deferred Inflows of Resources	(95,008)
Change in Net OPEB Liability	(4,631)
Change in OPEB Deferred Outflows of Resources	(11,824)
Change in OPEB Deferred Inflows of Resources	13,206
Change in Operating Assets and Liabilities:	
Accounts Receivables	(3,244)
Inventories and Prepaid Items	1,100
Accounts Payable	(802)
Net Cash Provided by Operating Activities	<u>\$ 387,891</u>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE
STATEMENT OF NET POSITION**

Cash and Cash Equivalents in Current Assets	\$ 2,787,195
Cash and Cash Equivalents in Restricted Assets	<u>599,792</u>
Total Cash and Investments	<u>\$ 3,386,987</u>

**NONCASH CAPITAL AND RELATED
FINANCING ACTIVITIES**

Capital Related Accounts Payable	<u>\$ 217,059</u>
----------------------------------	-------------------

**VILLAGE OF EGG HARBOR, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND - CUSTODIAL
DECEMBER 31, 2023**

ASSETS

Cash and Investments	\$ 856,507
Receivables:	
Taxes and Special Charges	<u>2,919,718</u>
Total Assets	3,776,225

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources:	
Property Taxes Levied for Subsequent Year	<u>3,776,225</u>

NET POSITION

Restricted for Others	<u><u>\$ -</u></u>
-----------------------	--------------------

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, 2023**

ADDITIONS	
Taxes and Special Charges Collected	\$ 3,257,712
DEDUCTIONS	
Current:	
Payments to Other Districts	<u>3,257,712</u>
CHANGE IN NET POSITION	-
Net Position - January 1	<u>-</u>
NET POSITION - DECEMBER 31	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 other Door County municipalities in a joint venture to create the Door County Tourism Zone as prescribed under Wisconsin Statute 66.0615. The Tourism Zone is responsible for collecting an 8% room tax on the gross receipts from retail furnishing of rooms or lodgings over all of the member municipalities. The Tourism Zone pays 70% of the room tax collected to Destination Door County and 30% to the member municipalities. Member municipalities fund the operations of the Tourism Zone and are expected to be reimbursed for the funding payments from Destination Door County. During 2023, the Village received \$274,045 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, 2023**

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.

Room Tax and Restricted Donations Fund

This fund accounts for room taxes and restricted donations. Significant revenues are taxes and miscellaneous revenues, including donations.

Capital Projects Fund

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

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

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.

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.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

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.

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 2022 tax roll are recognized as revenue in 2023.)

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.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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

VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2023 are considered immaterial and not recorded.

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. Leases - Lessor

The Village is a lessor for a noncancellable lease of a building. The Village recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities or business-type activities in the government-wide and in the governmental and proprietary fund financial statements.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Leases - Lessor (Continued)

At the commencement of a lease, the Village initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Village determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Village uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

13. 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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. 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.

15. 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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Fund Equity (Continued)

Governmental Fund Financial Statements (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, 2023**

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, 2023.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

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, 2023 as follows:

Funds	Excess Expenditures
General Fund:	
General Government:	
Financial Administration	\$ 1,960
Revalutaion	1,000
Professional Services	825
Legal and Audit	37,892
Elections	771
Property and Liability Insurance	6,262
Public Safety:	
Police Protection	269
Culture and Recreation:	
Community Center	558
Conservation and Development:	
Zoning Administration	12,205
Planning Commission	3,797

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, 2023**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. 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 2023 and 2024 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 2023 budget was 1.592%. The actual limit for the Village for the 2024 budget was 3.094%. 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, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

The carrying amount of the Village's cash and investments totaled \$11,028,322 on December 31, 2023 as summarized below:

Petty Cash and Cash on Hand	\$ 200
Deposits with Financial Institutions	5,545,212
Cash Held with Fiscal Agent	431,213
Investments:	
Ehlers Investments - BNY Mellon Pershing	4,502,018
Wisconsin Local Government Investment Pool	549,679
Total	<u>\$ 11,028,322</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 9,572,023
Restricted Cash and Investments	599,792
Fiduciary Fund Statement of Net Position:	
Cash and Investments	856,507
Total	<u>\$ 11,028,322</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 \$151,086 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, 2023**

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, 2023, \$3,269,487 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

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.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Wisconsin Local Government					
Investment Pool	\$ 549,679	\$ -	\$ -	\$ -	\$ 549,679
Negotiable Certificates of Deposit	151,086	-	-	-	151,086
U.S. Treasuries	4,502,018	4,502,018	-	-	-
Totals	<u>\$ 5,202,783</u>	<u>\$ 4,502,018</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 700,765</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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
Wisconsin Local Government Investment Pool	\$ 549,679	\$ 549,679	\$ -	\$ -	\$ -
U.S. Treasuries	4,502,018	4,502,018	-	-	-
Totals	<u>\$ 5,051,697</u>	<u>\$ 5,051,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin local government investment pool of \$549,679 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, 2023, 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 June 30, 2023 the Wisconsin local government investment pool had a weighted average maturity of 23 days.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Restricted Assets

Restricted assets on December 31, 2023 totaled \$599,792 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Sewer Utility:		
Equipment Replacement	<u>\$ 599,792</u>	To be used for the replacement of certain assets for capital projects.

C. Leases Receivable

Governmental Activities

The Village rents space to the U.S. Post Office under a long-term, noncancelable lease agreement with monthly installments ranging from \$1,800 to \$1,985. The lease expires in 2037 including renewal options.

During the year ended, December 31, 2023, in governmental activities the Village recognized \$12,872 and \$9,808 in lease revenue and interest revenue, respectively, pursuant to this agreement.

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 5,097,348	\$ -	\$ -	\$ 5,097,348
Construction in Progress	1,482,665	3,508,799	33,528	4,957,936
Total Capital Assets, Nondepreciable	6,580,013	3,508,799	33,528	10,055,284
Capital Assets, Depreciable:				
Land Improvements	8,973,991	-	-	8,973,991
Buildings and Improvements	9,438,304	148,637	-	9,586,941
Machinery and Equipment	1,521,128	-	-	1,521,128
Infrastructure	8,782,487	-	-	8,782,487
Subtotals	28,715,910	148,637	-	28,864,547
Less: Accumulated Depreciation for:				
Land Improvements	3,610,448	313,322	-	3,923,770
Buildings and Improvements	1,778,312	197,344	-	1,975,656
Machinery and Equipment	1,076,373	77,055	-	1,153,428
Infrastructure	4,076,894	235,197	-	4,312,091
Subtotals	10,542,027	822,918	-	11,364,945
Total Capital Assets, Depreciable, Net	18,173,883	(674,281)	-	17,499,602
Governmental Activities Capital Assets, Net	<u>\$ 24,753,896</u>	<u>\$ 2,834,518</u>	<u>\$ 33,528</u>	27,554,886
Less: Capital Related Debt, net unspent bond proceeds				14,371,841
Less: Debt Premium				911,645
Add: Debt Discount				3,828
Less: Accounts Payable and Retainage Payable				112,818
Net Investment in Capital Assets				<u>\$ 12,162,410</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 313,823	\$ -	\$ -	\$ 313,823
Construction in Progress	182,695	3,730,788	-	3,913,483
Total Capital Assets, Nondepreciable:	496,518	3,730,788	-	4,227,306
Capital Assets, Depreciable:				
Buildings and Improvements	5,461,717	-	-	5,461,717
Machinery and Equipment	3,236,953	-	-	3,236,953
Infrastructure	5,204,224	-	-	5,204,224
Subtotals	13,902,894	-	-	13,902,894
Less: Accumulated Depreciation for:				
Nonallocated	8,321,039	471,582	-	8,792,621
Total Capital Assets, Depreciable, Net	5,581,855	(471,582)	-	5,110,273
Business-Type Activities Capital Assets, Net	<u>\$ 6,078,373</u>	<u>\$ 3,259,206</u>	<u>\$ -</u>	<u>9,337,579</u>
Less: Capital Related Debt				3,882,949
Less: Accounts Payable and Retainage Payable				217,059
Net Investment in Capital Assets				<u>\$ 5,237,571</u>

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

Governmental Activities:	
General Government	\$ 20,026
Public Safety	39,456
Public Works	264,603
Culture and Recreation	497,478
Health and Human Services	85
Conservation and Development	1,270
Total Depreciation Expense - Governmental Activities	<u>\$ 822,918</u>
Business-Type Activities:	
Sewer Utility	<u>\$ 471,582</u>

E. 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, 2023, are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance		
Operating Cash Deficits:		
Governmental Funds:		
General	\$ 143,036	\$ -
Marina	-	63,935
Pavilion/Library	-	79,101
	<u>\$ 143,036</u>	<u>\$ 143,036</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivable, Payables, and Transfers (Continued)

Interfund transfers for the year ended December 31, 2023 were as follows:

Fund	Transfer In	Transfer Out
General	\$ 188,000	\$ 101,410
Capital Projects	-	1,035,892
Joint Operations	137,302	-
Marina	-	85,000
Room Tax	-	188,000
Debt Service	1,085,000	-
Sewer Utility	-	-
Total	<u>\$ 1,410,302</u>	<u>\$ 1,410,302</u>

Interfund transfers were made for the following purposes:

To Finance Joint Operations with Town of Egg Harbor	\$ 137,302
To Finance Debt Services Costs from General Fund	85,000
To Finance Debt Services Costs from Capital Projects	1,000,000
To Reimburse General from Marina for Operations	-
To Move Room Tax to General Fund Per Resolution	188,000
Total	<u>\$ 1,410,302</u>

F. Long-Term Obligations

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2023:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 10,384,999	\$ 7,500,000	\$ 825,000	\$ 17,059,999	\$ 735,000
Notes from Direct Borrowings:					
Notes	1,525,654	-	309,777	1,215,877	299,552
Total General Obligation Debt	11,910,653	7,500,000	1,134,777	18,275,876	1,034,552
Debt Premium	415,867	527,310	31,532	911,645	-
Debt Discount	(4,784)	-	(956)	(3,828)	-
Governmental Activities Long-Term Obligations	<u>\$ 12,321,736</u>	<u>\$ 8,027,310</u>	<u>\$ 1,165,353</u>	<u>\$ 19,183,693</u>	<u>\$ 1,034,552</u>
Business-Type Activities:					
Revenue Bonds	<u>\$ 1,851,381</u>	<u>\$ 2,116,625</u>	<u>\$ 85,057</u>	<u>\$ 3,882,949</u>	<u>\$ 177,733</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

The Village's outstanding notes from direct borrowings related to governmental activities of \$1,215,877 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.

Total interest paid during the year on long-term debt totaled \$327,978.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23
General Obligation Bonds	5/29/13	10/1/29	0.70 - 2.80%	\$ 4,185,000	\$ 2,360,000
Note from Direct Borrowing	3/1/17	3/1/27	2.15 - 3.00%	2,180,000	1,175,000
General Obligation Bonds	10/24/19	4/1/39	2.00 - 3.00%	3,475,000	2,870,000
General Obligation Bonds	8/12/21	4/1/41	2.00 - 5.00%	5,015,000	4,330,000
Note from Direct Borrowing	7/2/21	12/2/26	3.50%	49,305	40,876
General Obligation Bonds	5/25/23	10/1/43	3.50%	7,500,000	7,500,000
Total Outstanding General Obligation Debt					<u>\$ 18,275,876</u>

Annual principal and interest maturities of the general obligation bonds and direct borrowing outstanding debt as of December 31, 2023 are detailed below:

Year Ended December 31,	Governmental Activities				Totals	
	G.O. Bonds		Direct Borrowings		Principal	Interest
	Principal	Interest	Principal	Interest		
2024	\$ 735,000	\$ 707,147	\$ 299,552	\$ 25,912	\$ 1,034,552	\$ 733,059
2025	895,001	554,825	299,720	18,147	1,194,721	572,972
2026	905,000	517,518	326,605	11,441	1,231,605	528,959
2027	980,000	476,893	290,000	3,480	1,270,000	480,373
2028	1,255,000	434,413	-	-	1,255,000	434,413
2029-2033	4,910,000	1,579,075	-	-	4,910,000	1,579,075
2034-2038	4,100,000	852,830	-	-	4,100,000	852,830
2039-2042	3,279,998	235,420	-	-	3,279,998	235,420
Total	<u>\$ 17,059,999</u>	<u>\$ 5,358,121</u>	<u>\$ 1,215,877</u>	<u>\$ 58,980</u>	<u>\$ 18,275,876</u>	<u>\$ 5,417,101</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2023 was \$13,340,079 as follows:

Equalized Valuation of the Village	\$ 634,919,100
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	31,745,955
Total Outstanding General Obligation Debt Applicable to Debt Limitation	18,275,876
Legal Margin for New Debt	\$ 13,470,079

Revenue Bonds

Revenue bonds outstanding on December 31, 2023 totaled \$3,882,949 and was comprised of the following issues:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/23</u>
Clean Water Fund Program	07/28/21	05/01/41	1.485%	\$ 1,697,182	\$ 1,766,324
Clean Water Fund Program	04/12/23	05/01/42	2.145%	2,739,873	2,116,625
					\$ 3,882,949

Principal and interest maturities of the outstanding revenue bonds of \$3,882,949 on December 31, 2023 are detailed below:

<u>Year Ending December 31.</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 177,733	\$ 68,296	\$ 246,029
2025	180,976	66,737	247,713
2026	184,279	63,402	247,681
2027	187,645	60,004	247,649
2028	191,075	56,542	247,617
2029-2033	1,009,127	228,452	1,237,579
2034-2038	1,105,126	131,544	1,236,670
2039-2042	846,988	29,918	876,906
Total	\$ 3,882,949	\$ 704,895	\$ 4,587,844

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 \$4,587,844. Principal and interest paid for the current year and total customer net revenues were \$121,551 and \$393,325, respectively.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plans

Wisconsin Retirement System (WRS)

1. Plan Description

The WRS is a cost-sharing, multiemployer, 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 1200 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/about-etf/reports-and-studies/financial-reports-and-statements>. Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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

Employees who retire at or after age 65 (54 for protective 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 their final average earnings and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plans (Continued)

Wisconsin Retirement System (WRS) (Continued)

2. Postretirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
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	-	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

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 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, 2023, the WRS recognized \$39,805 in contributions from the Village.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. 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 Executives, and Elected Officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At December 31, 2023, the Village reported an liability of \$169,568 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension 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, 2022, the Village's proportion was 0.00320080%, which was an increase of 0.000022% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized pension expense of \$86,122.

At December 31, 2023, 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	\$ 270,069	\$ 354,812
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	288,059	-
Changes in Assumptions	33,344	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	1,296	2,952
Employer Contributions Subsequent to the Measurement Date	39,805	-
Total	<u>\$ 632,573</u>	<u>\$ 357,764</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. 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)

\$39,805 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension revenue as follows:

<u>Year Ended December 31,</u>	<u>Revenue</u>
2024	\$ 9,647
2025	48,623
2026	49,458
2027	127,276
Total	<u>\$ 235,004</u>

5. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

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

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plans (Continued)

Wisconsin Retirement System (WRS) (Continued)

5. Actuarial Assumptions (Continued)

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

Long-Term Expected Return on Plan Assets

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

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class:</u>			
Public Equity	48 %	7.6 %	5.0 %
Public Fixed Income	25	5.3	2.7
Inflation Sensitive Assets	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Cash	(15)	N/A	N/A
Total Core Fund	100%	7.4 %	4.8 %
<u>Variable Fund Asset Class:</u>			
U.S. Equities	70 %	7.2 %	4.6 %
International Equities	30	8.1	5.5
Total Variable Fund	100%	7.7 %	5.1 %

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

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

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plans (Continued)

Wisconsin Retirement System (WRS) (Continued)

5. Actuarial Assumptions (Continued)

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05%. (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, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Village's Proportionate Share of the Net Pension Liability (Asset)	\$ 562,793	\$ 169,568	\$ (100,936)

6. Payables to the Pension Plan

At December 31, 2023, the Village reported a payable of \$16,231 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2023.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. 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, 2023, the Village contributed \$13,210 to the plan, and the Village recognized pension expense of \$13,210.

Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village employees, is through the State of Wisconsin Public Employees Deferred Compensation Plan and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The deferred compensation plan assets are placed in trust for the sole benefit of employees and beneficiaries participating in the Plan and therefore are not recorded on these financial statements. Contributions to this plan are entirely from employee voluntary contributions. The Village makes no employer contributions to this plan.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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 postemployment 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/about-etf/reports-and-studies/financial-reports-and-statements>.

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

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.

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 member 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, 2023 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (LRLIF) (Continued)

Contributions

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, 2022 are listed below:

Life Insurance Member Contribution Rates Year Ended December 31, 2022		
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, 2023, the LRLIF recognized \$203 in contributions from the employer.

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

At December 31, 2023, the Village reported a liability of \$45,181 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or 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, 2022, the Village's proportion was 0.01185900%, which was an increase of 0.00208400% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized OPEB expense of \$5,208.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 4,422
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	847	-
Changes in Assumptions	16,233	26,669
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	15,445	5,236
Total	\$ 32,525	\$ 36,327

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, 2024. Other Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Expense
2024	\$ (235)
2025	(411)
2026	1,382
2027	108
2028	(1,860)
Thereafter	(2,786)
Total	\$ (3,802)

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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)

Actuarial assumptions – The total OPEB liability in the January 1, 2022 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, 2022
Measurement Date of Net OPEB Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

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

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

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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)

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
US Intermediate Credit Bonds	Bloomberg US Interim Credit	50.0 %	2.45 %
US Mortgages	Bloomberg US MBS	50.0	2.83
Inflation			2.30
Long-Term Expected Rate of Return			4.25

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

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

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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 projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by 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 3.76%, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

	1% Decrease to Discount Rate (2.76)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
Village's Proportionate Share of the Net OPEB Liability (Asset)	\$ 61,599	\$ 45,181	\$ 32,598

Payable to the OPEB Plan

At December 31, 2023, the Village had no outstanding contribution to the plan required for the year ended December 31, 2023.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. 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, 2023, nonspendable fund balance was as follows:

General Fund:	
Nonspendable:	
Inventories and Prepaid Items	\$ 78,494
Marina Fund:	
Nonspendable:	
Inventories and Prepaid Items	29,331
Pavilion/Library Fund:	
Nonspendable:	
Inventories and Prepaid Items	<u>1,756</u>
Total Nonspendable Fund Balance	<u><u>\$ 109,581</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, 2023, restricted fund balance was as follows:

Room Tax and Restricted Donations:	
Restricted for:	
Peg Egan Performing Arts Center	\$ 210,998
Capital Projects Fund:	
Restricted for:	
Capital Projects	4,013,997
Debt Service Fund:	
Restricted Debt Service	
	<u>657,926</u>
Total Restricted Fund Balance	<u><u>\$ 4,882,921</u></u>

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity (Continued)

Committed Fund Balance

Portions of governmental fund balances are committed by Village Board action. At December 31, 2023, fund balance was committed as follows:

Marina Fund:		
Committed for Marina Operations	\$	89,124
Pavilion/Library Fund:		
Committed for Pavilion/Library Operations		<u>9,050</u>
Total	<u>\$</u>	<u>98,174</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%	106.02%
12/31/21	0.00317880%	(256,217)	540,185	47.43%	105.26%
12/31/22	0.00320080%	169,568	545,962	-31.06%	95.72%

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	-	540,185	6.74%
12/31/22	35,488	35,488	-	545,962	6.50%
12/31/23	39,805	39,805	-	585,362	6.80%

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%
12/31/21	0.00977500%	57,774	445,000	12.98%	29.57%
12/31/22	0.01185900%	45,181	424,000	10.66%	38.81%

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	-	473,000	0.03%
12/31/21	205	205	-	445,000	0.05%
12/31/22	267	267	-	424,000	0.06%
12/31/23	203	203	-	452,000	0.04%

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 1 PENSION

Wisconsin Retirement System

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

Changes of assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2019 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year ended December 31, 2021, including the following:

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

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

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

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

**VILLAGE OF EGG HARBOR, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 2 OTHER POSTEMPLOYMENT BENEFIT PLAN

Local Retiree Life Insurance Fund

Changes of benefit terms: There were no changes of benefit terms.

Changes of assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2019 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the December 31, 2021, total OPEB liabilities, including the following:

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

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

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transition from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior 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, 2023**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
Taxes:				
Property Tax	\$ 651,206	\$ 651,206	\$ 651,207	\$ 1
Managed Forest Land Taxes	9	9	-	(9)
Total Taxes	<u>651,215</u>	<u>651,215</u>	<u>651,207</u>	<u>(8)</u>
Intergovernmental:				
State:				
Shared Taxes	5,549	5,549	5,549	-
Exempt Computer Aid	347	347	347	-
Fire Insurance	13,000	13,000	14,978	1,978
Transportation	75,597	75,597	75,597	-
Other State Grants	-	-	500	500
Total Intergovernmental	<u>94,493</u>	<u>94,493</u>	<u>96,971</u>	<u>2,478</u>
Licenses and Permits:				
Liquor Licenses	7,700	7,700	7,688	(12)
Operator's Licenses	1,100	1,100	1,370	270
Tobacco Licenses	50	50	75	25
Dog Licenses	30	30	18	(12)
Business Licenses	6,000	6,000	9,150	3,150
Zoning Administration	20,000	20,000	62,620	42,620
Cable Franchise Fees	7,000	7,000	7,854	854
Building Inspections	27,500	27,500	46,114	18,614
Other Licenses and Permits	1,000	1,000	1,400	400
Total Licenses and Permits	<u>70,380</u>	<u>70,380</u>	<u>136,289</u>	<u>65,909</u>
Public Charges for Services:				
Parks Use Fees	500	500	695	195
Park Concessions	3,000	3,000	2,669	(331)
Total Public Charges for Services	<u>3,500</u>	<u>3,500</u>	<u>3,364</u>	<u>(136)</u>
Intergovernmental Charges for Services:				
Town Share of Recycling	14,000	14,000	4,290	(9,710)
Miscellaneous:				
Interest on Investments	1,000	1,000	102,376	101,376
Donations	1,000	1,000	572	(428)
Recycling Rebates	1,500	1,500	1,463	(37)
Community Building Rent	21,600	21,600	19,800	(1,800)
Insurance Dividends	1,000	1,000	929	(71)
Miscellaneous	2,000	2,000	19,936	17,936
Total Miscellaneous	<u>28,100</u>	<u>28,100</u>	<u>145,076</u>	<u>116,976</u>
Total Revenues	<u>\$ 861,688</u>	<u>\$ 861,688</u>	<u>\$ 1,037,417</u>	<u>\$ 175,729</u>

**VILLAGE OF EGG HARBOR, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Village Board	\$ 17,423	\$ 17,423	\$ 16,856	\$ 567
General Administration	203,920	203,920	186,444	17,476
Financial Administration	2,000	2,000	3,960	(1,960)
Revaluation	11,000	11,000	12,000	(1,000)
Professional Services	10,000	10,000	10,825	(825)
Legal and Audit	51,500	51,500	89,392	(37,892)
Elections	1,750	1,750	2,521	(771)
Property and Liability Insurance	27,500	27,500	29,911	(2,411)
Office Expenses	94,655	94,655	79,649	15,006
Total General Government	<u>419,748</u>	<u>419,748</u>	<u>431,558</u>	<u>(11,810)</u>
Public Safety:				
Building Inspection	122,561	122,561	41,491	81,070
Police Protection	2,500	2,500	2,769	(269)
Total Public Safety	<u>125,061</u>	<u>125,061</u>	<u>44,260</u>	<u>80,801</u>
Public Works:				
General Maintenance	308,768	308,768	245,102	63,666
Street Maintenance	21,300	21,300	16,966	4,334
Street Lighting	15,000	15,000	6,193	8,807
Recycling	29,145	29,145	22,717	6,428
Snow Removal	41,000	41,000	30,279	10,721
Weed Control	7,000	7,000	2,075	4,925
Sidewalks	5,000	5,000	143	4,857
Total Public Works	<u>427,213</u>	<u>427,213</u>	<u>323,475</u>	<u>103,738</u>
Health and Human Services:				
Animal Control	2,565	2,565	2,222	343
Culture and Recreation:				
Community Center	2,000	2,000	2,558	(558)
Parks	30,008	30,008	21,295	8,713
Visitor's Center	250	250	-	250
Total Culture and Recreation	<u>32,258</u>	<u>32,258</u>	<u>23,853</u>	<u>8,405</u>
Conservation and Development:				
Engineering	5,000	5,000	3,193	1,807
Zoning Administration	20,000	20,000	32,205	(12,205)
Planning Commission	5,850	5,850	9,647	(3,797)
Total Conservation and Development	<u>30,850</u>	<u>30,850</u>	<u>45,045</u>	<u>(14,195)</u>
Total Expenditures	<u>\$ 1,037,695</u>	<u>\$ 1,037,695</u>	<u>\$ 870,413</u>	<u>\$ 167,282</u>

VILLAGE OF EGG HARBOR, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – JOINT OPERATIONS FUND
YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,946	\$ 3,946	\$ 7,892	\$ 3,946
Public Charges for Services	-	-	600	600
Miscellaneous	3,976	3,976	7,404	3,428
Total Revenues	<u>7,922</u>	<u>7,922</u>	<u>15,896</u>	<u>7,974</u>
EXPENDITURES				
Current:				
Public Safety	170,725	170,725	148,399	22,326
Health and Human Services	2,557	2,557	2,081	476
Culture and Recreation	1,442	1,442	846	596
Total Expenditures	<u>174,724</u>	<u>174,724</u>	<u>151,326</u>	<u>23,398</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(166,802)	(166,802)	(135,430)	31,372
OTHER FINANCING SOURCES				
Transfers In	<u>79,651</u>	<u>79,651</u>	<u>137,302</u>	<u>57,651</u>
NET CHANGE IN FUND BALANCE	(87,151)	(87,151)	1,872	89,023
Fund Balance - January 1	<u>(888)</u>	<u>(888)</u>	<u>(888)</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u><u>\$ (88,039)</u></u>	<u><u>\$ (88,039)</u></u>	<u><u>\$ 984</u></u>	<u><u>\$ 89,023</u></u>

**VILLAGE OF EGG HARBOR, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Intergovernmental	-	-	10,438	10,438
Miscellaneous	15,000	15,000	186,591	171,591
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>272,029</u>	<u>182,029</u>
EXPENDITURES				
Current:				
Public Safety	44,892	44,892	-	44,892
Public Works	55,000	55,000	16,726	38,274
Culture and Recreation	90,000	90,000	-	90,000
Capital Outlay	6,240,000	6,240,000	3,547,589	2,692,411
Total Expenditures	<u>6,429,892</u>	<u>6,429,892</u>	<u>3,572,819</u>	<u>2,857,073</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(6,339,892)	(6,339,892)	(3,300,790)	3,039,102
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	6,309,892	6,309,892	7,500,000	1,190,108
Transfers Out	(1,000,000)	(1,000,000)	(1,035,892)	(35,892)
Total Other Financing Sources (Uses)	<u>5,309,892</u>	<u>5,309,892</u>	<u>6,464,108</u>	<u>1,154,216</u>
NET CHANGE IN FUND BALANCE	(1,030,000)	(1,030,000)	3,163,318	4,193,318
Fund Balance - January 1	850,679	850,679	850,679	-
FUND BALANCE - DECEMBER 31	<u>\$ (179,321)</u>	<u>\$ (179,321)</u>	<u>\$ 4,013,997</u>	<u>\$ 4,193,318</u>

**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, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated April 17, 2024.

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 were not 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 2023-002 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 2023-001 to be a significant deficiency.

Report on Compliance and Other Matters

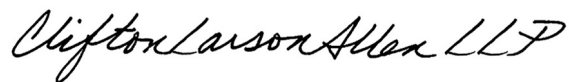
As part of obtaining reasonable assurance about whether the Village’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
April 17, 2024

**VILLAGE OF EGG HARBOR, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2023**

Summary of Auditors' Results

Finding No.	Control Deficiencies
2023-001	Preparation of Annual Financial Report
Type of Finding:	Significant Deficiency in Internal Control Over Financial Reporting
Condition:	Current Village staff maintains accounting records which reflect the Village's financial transactions; however, preparing the Village's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Village contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the Village's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the Village has implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.
Criteria:	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.
Repeat Finding:	Yes; 2022-001
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, 2023**

Summary of Auditors' Results (Continued)

Finding No.	Control Deficiencies
2023-002	Adjustments to the Village's Financial Records
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.
Repeat Finding:	Yes; 2022-002
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.



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.