

**New Issue**

**Rating: S&P Global Ratings "A+" /Stable**

**ADDENDUM DATED JUNE 6, 2025  
TO PRELIMINARY OFFICIAL STATEMENT DATED JUNE 2, 2025**

**VILLAGE OF EGG HARBOR, WISCONSIN  
(Door County)**

**\$3,055,000\* TAXABLE GENERAL OBLIGATION PROMISSORY  
NOTES, SERIES 2025A**

**BID OPENING:** June 10, 2025, 12:00 PM C.T.

On June 6, 2025, S&P Global Ratings lowered its long-term rating on the Village's general obligation debt to "A+" from "AA-" with a stable outlook. In addition, the schedule of general obligation debt has been revised to include provisions with respect to default for the Village's General Obligation Promissory Note, dated September 6, 2024.

Following is the revised Preliminary Official Statement.

\*Preliminary, subject to change.

**ADDENDUM DATED JUNE 4, 2025  
TO PRELIMINARY OFFICIAL STATEMENT DATED JUNE 2, 2025**

**VILLAGE OF EGG HARBOR, WISCONSIN  
(Door County)**

**\$3,055,000\* TAXABLE GENERAL OBLIGATION PROMISSORY  
NOTES, SERIES 2025A**

**BID OPENING:** June 10, 2025, 12:00 PM C.T.

The Addendum is being distributed to provide the full audited financial statements for the year ended December 31, 2023, which were inadvertently incomplete in Appendix A in the Preliminary Official Statement. In addition, the schedule of general obligation debt has been revised to correct an error in the schedule for the General Obligation Promissory Notes, Series 2017A.

Following is the revised Preliminary Official Statement.

\*Preliminary, subject to change.

## PRELIMINARY OFFICIAL STATEMENT DATED JUNE 2, 2025

*In the opinion of Quarles & Brady LLP, Bond Counsel, under existing law interest on the Notes is included in gross income for federal income tax purposes. See "TAXABILITY OF INTEREST" herein. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.*

**New Issue**

**Rating: S&P Global Ratings "A+"/Stable**

### VILLAGE OF EGG HARBOR, WISCONSIN (Door County)

## \$3,055,000\* TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025A

**BID OPENING:** June 10, 2025, 12:00 P.M. (Noon), C.T.

**CONSIDERATION:** June 11, 2025, 8:00 A.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$3,055,000\* Taxable General Obligation Promissory Notes, Series 2025A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village of Egg Harbor, Wisconsin (the "Village"), for public purposes, including broadband upgrades, capital improvement projects and acquiring equipment. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

**DATE OF NOTES:** June 24, 2025

**MATURITY:** April 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$225,000	2033	\$95,000	2040	\$135,000
2027	330,000	2034	100,000	2041	145,000
2028	210,000	2035	105,000	2042	150,000
2029	215,000	2036	110,000	2043	155,000
2030	220,000	2037	115,000	2044	155,000
2031	85,000	2038	125,000	2045	160,000
2032	90,000	2039	130,000		

**\*MATURITY ADJUSTMENTS:** The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM BONDS:** See "Term Bond Option" herein.

**INTEREST:** April 1, 2026 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Notes maturing on April 1, 2035 and thereafter are subject to call for prior optional redemption on April 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

**MINIMUM BID:** \$3,016,812.50.

**MAXIMUM BID:** \$3,360,500.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$61,100 shall be made by the winning bidder by wire transfer of funds.

**PAYING AGENT:** Bond Trust Services Corporation.

**BOND COUNSEL AND**

**DISCLOSURE COUNSEL:** Quarles & Brady LLP.

**MUNICIPAL ADVISOR:** Ehlers and Associates, Inc.

**BOOK-ENTRY-ONLY:** See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

## REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the Village to give any information or to make any representation other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. ***This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Official Statement is not to be construed as a contract with the underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Official Statement and any addenda thereto relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the Village with respect to the Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the delivery of the Notes.

## COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

**Preliminary Official Statement:** This Official Statement was prepared for the Village for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

**Review Period:** This Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Official Statement, interested bidders will be informed by an addendum prior to the sale.

**Final Official Statement:** Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

**Continuing Disclosure:** Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Official Statement describes the conditions under which the Village is required to comply with the Rule.

## CLOSING CERTIFICATES

Upon delivery of the Notes, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Notes; and (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the Village nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded.

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## **VILLAGE OF EGG HARBOR VILLAGE BOARD**

		<u>Term Expires</u>
John C. Heller	Village President	April 2027
Mike Johnson	Village Trustee	April 2027
Scott Rassmussen	Village Trustee	April 2027
Joe Megan	Village Trustee	April 2026
Lisa Van Laanen	Village Trustee	April 2026

## **ADMINISTRATION**

Megan Sawyer, Village Administrator  
Madison Dietzen, Deputy Village Administrator / Deputy Clerk-Treasurer  
Lynn Ohnesorge, Village Clerk-Treasurer

## **PROFESSIONAL SERVICES**

James M. Kalny, Renning, Lewis, & Lacy, S.C., Village Attorney, Green Bay, Wisconsin

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin  
*(Other office located in Roseville, Minnesota)*

# INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the Village of Egg Harbor, Wisconsin (the "Village") and the issuance of its \$3,055,000\* Taxable General Obligation Promissory Notes, Series 2025A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Authorizing Resolution") to be adopted by the Village Board on June 11, 2025.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the Village's municipal advisor. A copy of this Official Statement may be downloaded from Ehlers' web site at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link and following the directions at the top of the site.

## THE NOTES

### GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of June 24, 2025. The Notes will mature on April 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2026, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Notes shall be payable as provided in the Authorizing Resolution.

The Village has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

### OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after April 1, 2035 shall be subject to optional redemption prior to maturity on April 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

\*Preliminary, subject to change.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the Village. If only part of the Notes having a common maturity date are called for redemption, then the Village or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

## **AUTHORITY; PURPOSE**

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including broadband upgrades, capital improvement projects and acquiring equipment.

## **ESTIMATED SOURCES AND USES\***

### **Sources**

Par Amount of Notes	\$3,055,000	
Estimated Interest Earnings	60,080	
Door County Broadband Grant	<u>15,225</u>	
<b>Total Sources</b>		<b>\$3,130,305</b>

### **Uses**

Estimated Underwriter's Discount	\$38,188	
Cost of Issuance	84,750	
Deposit to Project Construction Fund	3,004,000	
Rounding Amount	<u>3,367</u>	
<b>Total Uses</b>		<b>\$3,130,305</b>

\*Preliminary, subject to change.

## **SECURITY**

For the prompt payment of the Notes with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the Village will be irrevocably pledged. The Village will levy a direct, annual, irrepealable tax on all taxable property in the Village sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

## **RATING**

The Village received a rating of "A+"/Stable on the Notes by S&P Global Ratings ("S&P"). Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the Village nor the underwriter undertake responsibility to bring to the attention of the owner of the Notes any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

## **CONTINUING DISCLOSURE**

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Notes, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the Village shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery of the Notes, the Village shall execute and deliver a Continuing Disclosure Certificate, under which the Village will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the Village are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the Village to comply with the Disclosure Undertaking will not constitute an event of default on the Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

In the previous five years, the Village believes it has not failed to comply in all material respects with its prior undertakings under the Rule. Ehlers is currently engaged as dissemination agent for the Village.

## **LEGAL MATTERS**

An opinion as to the validity of the Notes will be furnished by Quarles & Brady LLP, of Milwaukee, Wisconsin, Bond Counsel to the Village ("Bond Counsel"). The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the Village; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B.)

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Notes. Although, as Disclosure Counsel to the Village, Quarles & Brady LLP has assisted the Village with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

## **TAXABILITY OF INTEREST**

Interest on the Notes is included in gross income for present Federal income tax purposes. Interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

## **ORIGINAL ISSUE DISCOUNT**

To the extent that the initial public offering price of certain of the Notes is less than the stated principal amount payable at maturity, such Notes will be considered to be issued with original issue discount unless the amount of original issue discount is "de minimis." The amount of original issue discount with respect to a Note will be "de minimis" if the amount of discount is less than one-fourth of 1% of the principal amount payable at maturity multiplied by the number of complete years from the issue date until the maturity date.

If the amount of discount with respect to a Note is considered "de minimis," then the amount of original issue discount with respect to the Note will be zero. In that case, owners of those Notes will not be required to include any amount of original issue discount in income until the principal amount is repaid, at which time the owner will recognize capital gain (assuming the Note is held as a capital asset) equal to the excess of the amount received at maturity over the issue price.

If the amount of discount with respect to a Note is more than "de minimis," then the Notes will contain original issue discount and owners of the Notes will be required to include original issue discount in income. The Internal Revenue Code of 1986, as amended (the "Code") contains a number of very complex provisions requiring holders of debt instruments with original issue discount to include such original issue discount in income as it accrues ratably over the life of the debt instrument. In the case of a Note with original issue discount, the owner may be required to include the original issue discount in income before the owner receives the associated cash payment, regardless of the owner's regular method of accounting for tax purposes. Any such original issue discount that is included in income is treated in the same manner as interest. Any original issue discount that is included in income by an owner with respect to a Note will increase the holder's tax basis in the Note.

The Code contains certain provisions relating to the accrual of original issue discount (including de minimis original issue discount) in the case of subsequent purchasers of obligations such as the Notes. Owners who do not purchase Notes in the initial public offering should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of Notes.

Owners who purchase Notes in the initial public offering but at a price different than the initial offering price at which a substantial amount of that maturity of the Notes was sold to the public should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of the Notes.

Owners of Notes should consult their own tax advisors with respect to the state and local tax consequences of owning the Notes.

## **BOND PREMIUM**

To the extent that the initial offering price of certain of the Notes ("Premium Bonds") is more than the principal amount payable at maturity, the Premium Bonds will be considered to have "bond premium" equal to the difference between the issue price and the stated redemption price at maturity.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. Owners of Premium Bonds, the interest on which is subject to tax, may make an election to amortize the bond premium and to offset the taxable interest income with the amortizable bond premium for the year. Any amortizable bond premium that reduces the amount of interest income also reduces the owner's

adjusted tax basis in the Note by a corresponding amount. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of such Premium Bond. If the election is made, it is effective for all Notes acquired during that year and all future years unless the taxpayer receives permission from the IRS to revoke the election. Owners of Premium Bonds should consult with their tax advisors regarding the calculation and treatment of bond premium for federal income tax purposes, as well as the manner of making the election.

Owners of the Premium Bonds who do not purchase such Premium Bonds in the initial offering at the issue price should consult with their tax advisors regarding the tax consequences of owning the Premium Bonds.

Owners of Premium Bonds should consult with their tax advisors regarding the state and local tax consequences of owning such Premium Bonds.

## **MUNICIPAL ADVISOR**

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

## **MUNICIPAL ADVISOR AFFILIATED COMPANIES**

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the Village, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the Village under an agreement separate from Ehlers.

## **INDEPENDENT AUDITORS**

The basic financial statements of the Village for the fiscal year ended December 31, 2023 and DRAFT basic financial statements of the Village for the fiscal year ended December 31, 2024 have been audited by CliftonLarsonAllen LLP, Green Bay, Wisconsin, independent auditors (the "Auditor"). The Village expects delivery of the draft financial statements in substantially the form attached hereto, but such draft is subject to further review and revision. The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

## **RISK FACTORS**

The following is a description of possible risks to holders of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should read this Official Statement, including the appendices, in its entirety.

**Taxes:** The Notes will be general obligations of the Village, the ultimate payment of which rests in the Village's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the Village in time to pay debt service when due.

**State Actions:** Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State of Wisconsin (the "State") may affect the overall financial condition of the Village, the taxable value of property within the Village, and the ability of the Village to levy and collect property taxes.

**Future Changes in Law:** Various State and federal laws, regulations and constitutional provisions apply to the Village and to the Notes. The Village can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the Village or the taxing authority of the Village.

**Ratings; Interest Rates:** In the future, the Village's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Notes for resale prior to maturity.

**Continuing Disclosure:** A failure by the Village to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Notes. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

**Book-Entry-Only System:** The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the Village to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Notes.

**Depository Risk:** Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

**Economy:** A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the Village, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the Village may have an adverse effect on the value of the Notes in the secondary market.

**Secondary Market for the Notes:** No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Notes. Such market value could be substantially different from the original purchase price.

**Bankruptcy:** The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Notes will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

**Cybersecurity:** The Village is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the Village will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

## **VALUATIONS**

### **WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES**

#### **Equalized Value**

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

#### **Assessed Value**

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

## CURRENT PROPERTY VALUATIONS

2024 Equalized Value	\$708,126,300
2024 Assessed Value	\$722,817,900

## 2024 EQUALIZED VALUE BY CLASSIFICATION

	2024 Equalized Value	Percent of Total Equalized Value
Residential	\$650,712,100	91.892%
Commercial	57,003,500	8.050%
Agricultural	7,800	0.001%
Undeveloped	87,900	0.012%
Forest	315,000	0.044%
Personal Property <sup>1</sup>	<u>0</u>	<u>0.000%</u>
Total	<u><u>\$708,126,300</u></u>	<u><u>100.000%</u></u>

## TREND OF VALUATIONS

Year	Assessed Value	Equalized Value	Percent Increase/Decrease in Equalized Value
2020	\$391,993,430	\$411,590,200	6.94%
2021	397,187,010	415,255,600	0.89%
2022	402,266,730	482,703,200	16.24%
2023	414,419,020	634,919,100	31.53%
2024	722,817,900	708,126,300	11.53%

**Source:** Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

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<sup>1</sup> Personal property has been exempted from taxation as of January 1, 2024 (see "TAX LEVIES AND COLLECTIONS" herein).

**LARGER TAXPAYERS**

<b>Taxpayer</b>	<b>Type of Business/Property</b>	<b>2024 Equalized Value<sup>1</sup></b>	<b>Percent of Village's Total Equalized Value</b>
Alpine Resort Acquisition Co LLC	Resort/Golf Course	\$12,283,800	1.74%
AKA Properties LLC	Residential	7,971,500	1.13%
MDD Futures LLC	Residential Condos	7,804,000	1.10%
Individual	Residential	6,294,600	0.89%
Individual	Residential	6,214,600	0.88%
Alpenhaus LLC	Residential/Rental	5,297,600	0.75%
Kowalski Legacy Holdings, LLC	Residential	5,249,900	0.74%
Individual	Residential	4,857,800	0.69%
Individual	Residential	4,558,000	0.64%
Individual	Residential	<u>4,269,300</u>	<u>0.60%</u>
Total		\$64,801,100	9.16%
Village's Total 2024 Equalized Value		\$708,126,300	

**Source:** The Village.

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<sup>1</sup> Calculated by dividing the 2024 Assessed Values by the 2024 Aggregate Ratio of assessment for the Village.

## DEBT

### DIRECT DEBT<sup>1</sup>

#### General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	<u>\$21,693,991</u>
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#### Revenue Debt (see schedules following)

Total revenue debt secured by sewerage system revenues	<u>\$4,093,078</u>
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### DEBT PAYMENT HISTORY

The Village has no record of default in the payment of principal and interest on its debt.

### FUTURE FINANCING

The Village has no current plans for additional financing in the next 12 months.

### DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$708,126,300
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$35,406,315
Less: General Obligation Debt*	<u>(21,693,991)</u>
Unused Debt Limit*	<u>\$13,712,324</u>

\*Preliminary, subject to change.

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<sup>1</sup> Outstanding debt is as of the dated date of the Notes.

Village of Egg Harbor, Wisconsin  
Schedule of Bonded Indebtedness  
General Obligation Debt Secured by Taxes  
(As of 06/24/2025)

	Refunding Bonds Series 2013A		Promissory Notes Series 2017A		Corporate Purpose Bonds Series 2019A		Promissory Note		Corporate Purpose Bonds Series 2021A	
Dated	05/29/2013		03/01/2017		10/24/2019		07/02/2021		08/12/2021	
Amount	\$4,185,000		\$2,180,000		\$3,475,000		\$49,305		\$5,015,000	
Maturity	10/01		03/01		04/01		Monthly		04/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	370,000	25,294	0	6,873	0	30,383	2,397	579	0	45,375
2026	385,000	42,263	295,000	10,353	195,000	57,840	31,594	1,027	55,000	89,375
2027	405,000	33,023	290,000	3,480	200,000	51,915			70,000	86,250
2028	415,000	22,898			210,000	45,765			240,000	80,900
2029	425,000	11,900			185,000	39,840			270,000	73,250
2030					160,000	35,465			655,000	62,650
2031					160,000	32,265			215,000	53,950
2032					160,000	29,065			220,000	49,600
2033					160,000	25,865			205,000	45,350
2034					170,000	22,459			205,000	41,250
2035					170,000	18,846			210,000	37,100
2036					180,000	14,970			210,000	32,900
2037					180,000	10,830			210,000	28,700
2038					180,000	6,600			210,000	24,500
2039					185,000	2,220			275,000	19,650
2040									465,000	12,250
2041									380,000	3,800
2042										
2043										
2044										
2045										
	2,000,000	135,376	585,000	20,705	2,495,000	424,328	33,991	1,606	4,095,000	786,850

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Village of Egg Harbor, Wisconsin  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Taxes  
(As of 06/24/2025)

	Corporate Purpose Bonds Series 2023A		Promissory Notes Series 2024A		Promissory Note (1)		Taxable Promissory Notes Series 2025A							
Dated	05/25/2023		05/30/2024		09/06/2024		06/24/2025							
Amount	\$7,500,000		\$2,000,000		\$500,000		\$3,055,000*							
Maturity	04/01		04/01		09/06		04/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	161,675	0	38,700	37,795	30,417	0	0	410,192	339,294	749,486	21,283,799	1.89%	2025
2026	270,000	316,600	15,000	77,025	40,094	28,117	225,000	177,736	1,511,688	800,335	2,312,024	19,772,110	8.86%	2026
2027	305,000	302,225	15,000	76,275	42,533	25,678	330,000	127,956	1,657,533	706,801	2,364,335	18,114,577	16.50%	2027
2028	390,000	284,850	75,000	74,025	45,058	23,154	210,000	117,103	1,585,058	648,695	2,233,752	16,529,519	23.81%	2028
2029	390,000	265,350	110,000	69,400	47,862	20,350	215,000	108,389	1,642,862	588,479	2,231,341	14,886,657	31.38%	2029
2030	400,000	245,600	135,000	63,275	50,774	17,438	220,000	99,253	1,620,774	523,681	2,144,455	13,265,884	38.85%	2030
2031	435,000	224,725	295,000	52,525	53,862	14,350	85,000	92,729	1,243,862	470,544	1,714,406	12,022,022	44.58%	2031
2032	435,000	202,975	215,000	39,775	57,109	11,103	90,000	88,856	1,177,109	421,374	1,598,482	10,844,913	50.01%	2032
2033	435,000	181,225	140,000	31,600	60,613	7,599	95,000	84,646	1,095,613	376,284	1,471,897	9,749,300	55.06%	2033
2034	435,000	159,475	120,000	26,400	64,300	3,912	100,000	80,111	1,094,300	333,606	1,427,906	8,655,000	60.10%	2034
2035	435,000	139,900	115,000	21,700			105,000	75,241	1,035,000	292,787	1,327,787	7,620,000	64.88%	2035
2036	435,000	122,500	120,000	17,000			110,000	70,026	1,055,000	257,396	1,312,396	6,565,000	69.74%	2036
2037	435,000	105,100	130,000	12,000			115,000	64,456	1,070,000	221,086	1,291,086	5,495,000	74.67%	2037
2038	435,000	87,700	140,000	6,600			125,000	58,362	1,090,000	183,762	1,273,762	4,405,000	79.69%	2038
2039	395,000	71,100	95,000	1,900			130,000	51,763	1,080,000	146,633	1,226,633	3,325,000	84.67%	2039
2040	395,000	55,300					135,000	44,839	995,000	112,389	1,107,389	2,330,000	89.26%	2040
2041	395,000	39,500					145,000	37,453	920,000	80,753	1,000,753	1,410,000	93.50%	2041
2042	395,000	23,700					150,000	29,598	545,000	53,298	598,298	865,000	96.01%	2042
2043	395,000	7,900					155,000	21,401	550,000	29,301	579,301	315,000	98.55%	2043
2044							155,000	12,992	155,000	12,992	167,992	160,000	99.26%	2044
2045							160,000	4,384	160,000	4,384	164,384	0	100.00%	2045
	7,210,000	2,997,400	1,720,000	608,200	500,000	182,118	3,055,000	1,447,290	21,693,991	6,603,873	28,297,864			

\* Preliminary, subject to change.

(1) This Note provides that upon the occurrence of any one or more of the following events of default, then the unpaid balance shall, at the option of the lender, without notice, mature and become immediately payable: (a) the Village fails to pay any amount when due under the notice or under any other instrument evidencing any indebtedness of the Village to the lender; (b) any representation or warranty made under the note or information provided by the Village to the lender in connection with the note is or was false or fraudulent in any material respect; (c) a material adverse change occurs in the Village's financial condition; (d) the Village fails to timely observe or perform any of the covenants or duties in the note; (e) an event of default occurs under any agreement securing the note; or (f) the lender deems itself insecure.

**Village of Egg Harbor, Wisconsin**  
**Schedule of Bonded Indebtedness**  
**Revenue Debt Secured by Sewerage Revenues**  
**(As of 06/24/2025)**

Sewerage System Revenue Bonds (CWFL) Series 2021			Sewerage System Revenue Bonds (CWFL) 1) Series 2023							
Dated	07/28/2021		04/12/2023							
Amount	\$1,925,665		\$2,739,873							
Maturity	05/01		05/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	11,824	0	26,820	0	38,643	38,643	4,093,078	.00%	2025
2026	88,903	22,987	123,460	52,315	212,363	75,302	287,666	3,880,714	5.19%	2026
2027	90,223	21,657	126,108	49,639	216,332	71,296	287,627	3,664,383	10.47%	2027
2028	91,563	20,307	128,813	46,905	220,376	67,212	287,588	3,444,006	15.86%	2028
2029	92,923	18,937	131,576	44,112	224,499	63,050	287,549	3,219,507	21.34%	2029
2030	94,303	17,547	134,399	41,259	228,701	58,807	287,508	2,990,806	26.93%	2030
2031	95,703	16,137	137,282	38,346	232,985	54,482	287,467	2,757,821	32.62%	2031
2032	97,124	14,705	140,226	35,369	237,351	50,074	287,425	2,520,471	38.42%	2032
2033	98,567	13,252	143,234	32,329	241,801	45,581	287,382	2,278,670	44.33%	2033
2034	100,030	11,777	146,307	29,224	246,337	41,001	287,338	2,032,333	50.35%	2034
2035	101,516	10,281	149,445	26,052	250,960	36,333	287,293	1,781,373	56.48%	2035
2036	103,023	8,762	152,650	22,812	255,674	31,574	287,248	1,525,699	62.72%	2036
2037	104,553	7,221	155,925	19,503	260,478	26,723	287,201	1,265,221	69.09%	2037
2038	106,106	5,657	159,269	16,122	265,375	21,779	287,154	999,846	75.57%	2038
2039	107,681	4,069	162,686	12,669	270,367	16,738	287,105	729,479	82.18%	2039
2040	109,280	2,458	166,175	9,142	275,456	11,600	287,056	454,024	88.91%	2040
2041	110,903	823	169,740	5,539	280,643	6,363	287,006	173,381	95.76%	2041
2042			173,381	1,860	173,381	1,860	175,240	0	100.00%	2042
	1,592,402	208,401	2,500,676	510,018	4,093,078	718,419	4,811,497			

- 1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4684-05, the amount of disbursements as of May 17, 2025, is \$2,607,238. The schedule shown assumes full draws of the loan.

## OVERLAPPING DEBT<sup>1</sup>

<b>Taxing District</b>	<b>2024 Equalized Value<sup>2</sup></b>	<b>% In Village</b>	<b>Total G.O. Debt<sup>3</sup></b>	<b>Village's Proportionate Share</b>
Door County	\$13,533,289,200	5.2325%	\$7,945,000	\$415,722
Gibraltar Area School District	6,550,422,438	10.8104%	24,930,000	2,695,033
Northeast Wisconsin Technical College District	72,317,796,728	0.9792%	88,185,000	<u>863,508</u>
Village's Share of Total Overlapping Debt				<u><u>\$3,974,263</u></u>

## DEBT RATIOS

	<b>G.O. Debt</b>	<b>Debt/Equalized Value \$708,126,300</b>	<b>Debt/ Per Capita 387<sup>4</sup></b>
Total General Obligation Debt*	\$21,693,991	3.06%	\$56,056.82
Village's Share of Total Overlapping Debt	<u>3,974,263</u>	<u>0.56%</u>	<u>10,269.41</u>
Total*	\$25,668,254	3.62%	\$66,326.24

\*Preliminary, subject to change.

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<sup>1</sup> Overlapping debt is as of the dated date of the Notes. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

<sup>2</sup> Includes tax increment valuation.

<sup>3</sup> Outstanding debt based on information obtained on EMMA, Wisconsin Department of Revenue, Wisconsin Department of Public Instruction and the Municipal Advisor's records.

<sup>4</sup> Estimated 2024 population.

## TAX LEVIES AND COLLECTIONS

### TAX LEVIES AND COLLECTIONS

<b>Tax Year</b>	<b>Levy for Village Purposes Only</b>	<b>% Collected</b>	<b>Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000</b>
2020/21	\$1,593,183	100%	\$3.87
2021/22	1,937,085	100%	4.66
2022/23 <sup>1</sup>	1,182,831	100%	2.45
2023/24	2,312,041	100%	3.64
2024/25	2,602,536	In Progress	3.68

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Previously, personal property taxes were required to be paid to the town, city or village treasurer in full by January 31. Uncollected personal property taxes owed by an entity that had ceased operations or filed a petition for bankruptcy, or were due on personal property that had been removed from the next assessment roll were formerly collected from each taxing entity in the year following the levy year. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

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<sup>1</sup> The Village applied approximately \$1 million of grant funds to reduce the total amount levied in 2022/23.

**PROPERTY TAX RATES**

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

<b>Year Levied/ Year Collected</b>	<b>Schools<sup>1</sup></b>	<b>County</b>	<b>Local</b>	<b>Total</b>
2020/21	\$4.09	\$3.98	\$3.87	\$11.94
2021/22	4.16	3.56	4.66	12.38
2022/23	3.64	3.11	2.45	9.20
2023/24	3.34	2.61	3.64	9.59
2024/25	3.15	2.42	3.68	9.26

**Source:** Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

**LEVY LIMITS**

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental district, but does not include any improvements removed in a tax incremental district). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount

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<sup>1</sup> The Schools tax rate reflects the composite rate of all local school districts and technical college district.

of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Notes were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Notes.

## **REVENUE FROM THE STATE**

In addition to local property taxes described above, a number of state programs exist which provide revenue to the Village. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the Village that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the Village beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the Village received approximately \$40,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$3,000 received in 2023. The Village is expected to receive approximately \$41,000 in shared revenue under Chapter 79, Wis. Stats. in 2025. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

# THE ISSUER

## VILLAGE GOVERNMENT

The Village was incorporated in 1964 and is governed by a President and four other Village Board members. The Village President is a voting member. All trustees are elected to two-year terms. The appointed Village Administrator, Deputy Village Administrator / Deputy Clerk-Treasurer and Village Clerk-Treasurer are responsible for administrative details and financial records.

## EMPLOYEES; PENSIONS

The Village employs a staff of 10 full-time, three part-time and 10 seasonal employees. All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2022, the fiscal year ended December 31, 2023 and the fiscal year ended December 31, 2024 ("Fiscal Year 2024"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$35,488, \$39,805 and \$43,184, respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2024, the Village reported a liability of \$45,334 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2023 based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. The Village's proportion was 0.00304915% of the aggregate WRS net pension liability as of December 31, 2023.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution

requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 3.G. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

The Village also contributes to the Service Award Program, a defined contribution plan, for its volunteer firefighters, first responders and emergency medical technicians. The Village determines annually the amount it will contribute on behalf of each individual in the program. For Fiscal Year 2024, the Village contributed \$6,117 to the plan. The Village also offers a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The Village makes no employer contributions to the plan. For more, see Note 3.G. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

### **Recognized and Certified Bargaining Units**

All eligible Village personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the Village is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the Village is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless Village were to seek approval for a higher increase through a referendum). Ultimately, the Village can unilaterally implement the wages for a collective bargaining unit.<sup>1</sup>

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the Village, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The Village currently does not have any collective bargaining units that represent employees.

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<sup>1</sup> On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission*, Case No. 2023CV3152, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

## **OTHER POST EMPLOYMENT BENEFITS**

The Village participates in the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2024, the Village's portion of contributions to the LRLIF totaled \$222. For Fiscal Year 2024, the Village reported a liability of \$47,741 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2023 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was 0.010377% of the aggregate LRLIF net OPEB liability as of December 31, 2023.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information regarding the LRLIF and such actuarial assumptions, see Note 3.H. in the audited financial statements for the year ended December 31, 2024 attached hereto.

## **LITIGATION**

There is no litigation threatened or pending questioning the organization or boundaries of the Village or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Notes or otherwise questioning the validity of the Notes.

## **MUNICIPAL BANKRUPTCY**

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the Village to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the Village to file for relief under Chapter 9. If, in the future, the Village were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the Village could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the Village is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the Village could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the Village; (b) to any particular assets of the Village, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the Village were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

#### **FUNDS ON HAND** (as of January 1, 2025)

<b>Fund</b>	<b>Total Cash and Investments</b>
General Fund	\$1,034,291
Marina Fund	60,410
Sewer Fund	2,859,805
Room Tax Fund	411,074
Kress Pavilion Fund	<u>88,644</u>
Total Funds on Hand	<u><u>\$4,454,224</u></u>

#### **ENTERPRISE FUNDS**

Revenues available for debt service for the Village's enterprise funds have been as follows as of December 31 each year:

	<b>2022 Audited</b>	<b>2023 Audited</b>	<b>2024 DRAFT Audited</b>
<b>Sewer</b>			
Total Operating Revenues	\$1,040,676	\$1,070,517	\$1,156,719
Less: Operating Expenses	<u>(1,032,460)</u>	<u>(1,168,625)</u>	<u>(1,154,931)</u>
Operating Income	\$8,216	(\$98,108)	\$1,788
Plus: Depreciation	471,581	471,581	515,965
Interest Income	<u>8,417</u>	<u>25,455</u>	<u>30,737</u>
Revenues Available for Debt Service	<u><u>\$488,214</u></u>	<u><u>\$398,928</u></u>	<u><u>\$548,490</u></u>

## SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues and expenditures and fund balances for the Village's General Fund. These summaries are not purported to be the complete audited financial statements of the Village, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village. Copies of the complete statements are available upon request. Appendix A includes the 2023 and DRAFT 2024 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31					
COMBINED STATEMENT	2021 Audited	2022 Audited	2023 Audited	2024 DRAFT Audited	2025 Adopted Budget <sup>1</sup>
Revenues					
Taxes & special assessments	\$632,932	\$639,793	\$651,207	\$673,740	\$680,396
Intergovernmental	87,804	95,111	96,971	171,297	201,247
Licenses and permits	84,082	106,730	136,289	106,324	97,365
Fines and forfeitures	0	0	220	85	0
Public charges for services	6,218	3,323	3,364	4,911	3,500
Intergovernmental charges for services	2,414	7,177	4,290	16,486	16,000
Miscellaneous	51,249	90,264	145,076	139,312	43,900
<b>Total Revenues</b>	<b>\$864,699</b>	<b>\$942,398</b>	<b>\$1,037,417</b>	<b>\$1,112,155</b>	<b>\$1,042,408</b>
Expenditures					
Current:					
General government	\$368,031	\$346,848	\$431,558	\$546,986	\$572,825
Public safety	23,120	44,855	44,260	26,619	164,550
Public works	259,073	282,970	323,475	334,214	440,107
Health and human services	1,429	2,184	2,222	1,258	5,972
Culture and recreation	47,991	62,198	23,853	36,236	30,108
Conservation and development	61,263	53,580	45,045	27,584	32,431
Debt service	0	11,872	0	0	0
<b>Total Expenditures</b>	<b>\$760,907</b>	<b>\$804,507</b>	<b>\$870,413</b>	<b>\$972,897</b>	<b>\$1,245,993</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$103,792</b>	<b>\$137,891</b>	<b>\$167,004</b>	<b>\$139,258</b>	<b>(\$203,585)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	\$132,154	\$222,930	\$188,000	\$166,000	\$205,000
Transfers (out) <sup>2</sup>	(223,825)	(116,817)	(101,410)	(119,562)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(91,671)</b>	<b>106,113</b>	<b>86,590</b>	<b>46,438</b>	<b>205,000</b>
<b>Net changes in Fund Balances</b>	<b>\$12,121</b>	<b>\$244,004</b>	<b>\$253,594</b>	<b>\$185,696</b>	<b>\$1,415</b>
General Fund Balance January 1	\$338,876	\$350,997	\$595,001	\$848,595	
General Fund Balance December 31	\$350,997	\$595,001	\$848,595	\$1,034,291	
<b>DETAILS OF DECEMBER 31 FUND BALANCE</b>					
Nonspendable	\$7,597	\$17,932	\$78,494	\$50,908	
Unassigned	343,400	577,069	770,101	983,383	
<b>Total</b>	<b>\$350,997</b>	<b>\$595,001</b>	<b>\$848,595</b>	<b>\$1,034,291</b>	

<sup>1</sup> The 2025 budget was adopted on December 2, 2024.

<sup>2</sup> A portion of these transfers were to pay operating expenses of the Village's Kress Pavilion and Egg Harbor Library, which includes event and meeting space. The Village expected to operate the facility at a loss for the last three years before the facility became revenue neutral, but the COVID-19 pandemic delayed the facility reaching expected revenues. In April 2021, voters in the Village approved a referendum to exceed the levy limits (see "LEVY LIMITS" above) for 2022 through 2028 by \$120,000 per year in order to provide for operation of the facility.

## GENERAL INFORMATION

### LOCATION

The Village, with a 2020 U.S. Census population of 358 and a current estimated population of 387 comprises an area of 1,280 acres and is located approximately 18 miles north of the City of Sturgeon Bay in the peninsula of Door County on State Highway 42.

### LARGER EMPLOYERS<sup>1</sup>

Larger employers in the Village area include the following:

<b>Firm</b>	<b>Type of Business/Product</b>	<b>Estimated No. of Employees</b>
Fincantieri Bay Shipbuilding	Large ship construction	1,100
Ministry Door County Medical Center	Health care	600
Door County	County government and services	300
Hatco Corp.	Food products machinery manufacturing	300
TTX Environmental	Industrial finishing systems and components	300
NEW Industries, Inc.	Machine shops	200
Shuttlelift Inc.	Overhead crane hoist manufacturer	170
Landmark Resort	Resort hotel	160
Door County YMCA	Athletic facilities, community center	150
Wiretech Fabrications	Wire fabrication	100

**Source:** The Village, Data Axle Reference Solutions, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

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<sup>1</sup> This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

## BUILDING PERMITS

	2021	2022	2023	2024	2025 <sup>1</sup>
<u>New Single Family Homes</u>					
No. of building permits	11	15	21	14	3
Valuation	\$4,969,123	\$11,034,000	\$20,600,520	\$13,375,048	\$1,885,000
<u>New Multiple Family Buildings</u>					
No. of building permits	3	1	6	2	1
Valuation	\$1,660,000	\$7,000,000	\$3,746,000	\$1,600,000	\$655,000
<u>New Commercial/Industrial</u>					
No. of building permits	3	5	4	2	0
Valuation	\$410,000	\$263,000	\$4,895,693	\$160,000	\$0
<u>All Building Permits</u>					
<i>(including additions and remodelings)</i>					
No. of building permits	17	21	49	18	4
Valuation	\$7,039,123	\$18,297,000	\$31,032,594	\$15,135,048	\$2,540,000

**Source:** The Village.

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<sup>1</sup> As of May 7, 2025.

# U.S. CENSUS DATA

## Population Trend: The Village

2010 U.S. Census Population	201
2020 U.S. Census Population	358
Percent of Change 2010 - 2020	78.11%
2024 Estimated Population	387

## Income and Age Statistics

	The Village	Door County	State of Wisconsin	United States
2023 per capita income	\$114,331	\$48,630	\$42,019	\$43,289
2023 median household income	\$86,705	\$71,785	\$75,670	\$78,538
2023 median family income	\$100,313	\$95,974	\$97,261	\$96,922
2023 median gross rent	N/A	\$995	\$1,045	\$1,348
2023 median value owner occupied units	\$417,700	\$305,800	\$247,400	\$303,400
2023 median age	67.1 yrs.	54.1 yrs.	40.1 yrs.	38.7 yrs.

	State of Wisconsin	United States
Village % of 2023 per capita income	272.09%	264.11%
Village % of 2023 median family income	103.14%	103.50%

## Housing Statistics

	<u>The Village</u>		
	2020	2023	Percent of Change
All Housing Units	741	702	-5.26%

**Source:** 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center ([https://doa.wi.gov/Pages/LocalGovtsGrants/Population\\_Estimates.aspx](https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx)) and 2023 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

# EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

	<u>Average Employment</u>	<u>Average Unemployment</u>	
Year	Door County	Door County	State of Wisconsin
2021	15,034	4.5%	3.8%
2022	14,890	3.2%	2.8%
2023	15,267	3.0%	2.8%
2024 <sup>1</sup>	15,508	3.0%	3.0%
2025, April <sup>1</sup>	14,614	3.6%	3.3%

**Source:** Wisconsin Department of Workforce Development.

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<sup>1</sup> Preliminary.

### **FINANCIAL STATEMENTS**

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Village expects delivery of the draft financial statements in substantially the form attached hereto, but such draft is subject to further review and revision. The Village has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the Village requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the Village since the date of the financial statements, in connection with the issuance of the Notes, the Village represents that there have been no material adverse changes in the financial position or results of operations of the Village, nor has the Village incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

**VILLAGE OF EGG HARBOR, WISCONSIN**

**FINANCIAL STATEMENT AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2024**

DRAFT FOR MANAGEMENT REVIEW ONLY - SUBJECT TO REVISION

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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, 2024, 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, 2024, 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 and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the 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 REPORT DATE, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village's internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
REPORT DATE

**BASIC FINANCIAL STATEMENTS**

DRAFT FOR MANAGEMENT REVIEW ONLY - SUBJECT TO REVISION

**VILLAGE OF EGG HARBOR, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 2,691,348	\$ 2,859,807	\$ 5,551,155
Receivables:			
Taxes and Special Charges	2,121,623	-	2,121,623
Delinquent Taxes	4,309	-	4,309
Accounts	29,257	262,015	291,272
Special Assessments	-	31,262	31,262
Leases	197,780	-	197,780
Inventories and Prepaid Items	142,821	21,486	164,307
Restricted Assets:			
Cash and Investments	-	723,585	723,585
Capital Assets, Nondepreciable	20,591,013	335,713	20,926,726
Capital Assets, Depreciable	16,696,986	9,282,647	25,979,633
Total Assets	<u>42,475,137</u>	<u>13,516,515</u>	<u>55,991,652</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on Advance Refunding	2,872	-	2,872
Pension Related Amounts	248,835	157,376	406,211
Other Postemployment Related Amounts	17,289	10,829	28,118
Total Deferred Outflows of Resources	<u>268,996</u>	<u>168,205</u>	<u>437,201</u>
<b>LIABILITIES</b>			
Accounts Payable	345,495	30,871	376,366
Accrued and Other Current Liabilities	24,513	-	24,513
Accrued Interest Payable	142,429	13,130	155,559
Special Deposits	337,336	-	337,336
Long-Term Obligations:			
Due within One Year	1,512,516	203,313	1,715,829
Due in More than One Year	19,223,750	4,019,983	23,243,733
Net Pension Liability	27,804	17,530	45,334
Net Other Postemployment Benefits	29,354	18,387	47,741
Total Liabilities	<u>21,643,197</u>	<u>4,303,214</u>	<u>25,946,411</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for Subsequent Year	2,602,536	-	2,602,536
Leases	197,780	-	197,780
Pension Related Amounts	149,722	94,399	244,121
Other Postemployment Related Amounts	19,933	12,486	32,419
Total Deferred Inflows of Resources	<u>2,969,971</u>	<u>106,885</u>	<u>3,076,856</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	16,388,928	5,395,064	21,783,992
Restricted:			
Special Projects	411,074	-	411,074
Debt Service	406,915	-	406,915
Equipment Replacement	-	723,585	723,585
Unrestricted	924,048	3,155,972	4,080,020
Total Net Position	<u>\$ 18,130,965</u>	<u>\$ 9,274,621</u>	<u>\$ 27,405,586</u>

See accompanying Notes to Basic Financial Statements.

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 624,276	\$ 146,210	\$ -	\$ -
Public Safety	235,145	85	20,616	-
Public Works	763,812	-	110,840	3,719,840
Health and Human Services	4,931	-	-	-
Culture and Recreation	1,650,933	821,793	218,297	-
Conservation and Development	71,681	-	-	-
Interest and Fiscal Charges	630,337	-	-	-
Total Governmental Activities	3,981,115	968,088	349,753	3,719,840
<b>BUSINESS-TYPE ACTIVITIES</b>				
Sewer Utility	1,230,083	1,156,719	-	405,478
Total	<u>\$ 5,211,198</u>	<u>\$ 2,124,807</u>	<u>\$ 349,753</u>	<u>\$ 4,125,318</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF EGG HARBOR, WISCONSIN  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Totals
<b>GOVERNMENTAL ACTIVITIES</b>			
General Government	\$ (478,066)	\$ -	\$ (478,066)
Public Safety	(214,444)	-	(214,444)
Public Works	3,066,868	-	3,066,868
Health and Human Services	(4,931)	-	(4,931)
Culture and Recreation	(610,843)	-	(610,843)
Conservation and Development	(71,681)	-	(71,681)
Interest and Fiscal Charges	(630,337)	-	(630,337)
Total Governmental Activities	1,056,566	-	1,056,566
<b>BUSINESS-TYPE ACTIVITIES</b>			
Sewer Utility	-	332,114	332,114
Total	1,056,566	332,114	1,388,680
<b>GENERAL REVENUES</b>			
Taxes:			
Property Taxes, Levied for General Purposes	673,740	-	673,740
Property Taxes, Levied for Specific Purposes	1,638,301	-	1,638,301
Other Taxes	308,246	-	308,246
Federal and State Grants and Other Contributions not Restricted to Specific Functions	42,105	-	42,105
Interest and Investment Earnings	212,801	30,737	243,538
Miscellaneous	73,409	20,955	94,364
Total General Revenues	2,948,602	51,692	3,000,294
<b>CHANGE IN NET POSITION</b>	4,005,168	383,806	4,388,974
Net Position - January 1	14,125,797	8,890,815	23,016,612
<b>NET POSITION - DECEMBER 31</b>	<u>\$ 18,130,965</u>	<u>\$ 9,274,621</u>	<u>\$ 27,405,586</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF EGG HARBOR, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	Special Revenue				Room Tax and Restricted Donations		Capital Projects	Debt Service	Special Revenue		Totals
	General	Marina	Pavilion/ Library						Nonmajor Fund: Joint Operations - Village Share		
<b>ASSETS</b>											
Cash and Investments	\$ 652,277	\$ 204,825	\$ 340,337	\$ 389,789	\$ 164,582	\$ 868,496	\$ 71,042	\$ 2,691,348			
Receivables:											
Taxes and Special Charges	554,668	-	97,826	-	61,141	1,407,988	-	2,121,623			
Delinquent Taxes	4,309	-	-	-	-	-	-	4,309			
Accounts	6,135	-	1,102	22,020	-	-	-	29,257			
Leases	197,780	-	-	-	-	-	-	197,780			
Due from Other Funds	494,313	-	-	-	-	-	-	494,313			
Inventories and Prepaid Items	50,908	42,705	2,040	-	46,168	-	1,000	142,821			
Total Assets	\$ 1,960,390	\$ 247,530	\$ 441,305	\$ 411,809	\$ 271,891	\$ 2,276,484	\$ 72,042	\$ 5,681,451			
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
<b>LIABILITIES</b>											
Accounts Payable	\$ 18,173	\$ 26,027	\$ 5,387	\$ 585	\$ 293,740	\$ -	\$ 1,583	345,495			
Accrued and Other Current Liabilities	24,513	-	-	-	-	-	-	24,513			
Due to Other Funds	-	63,935	79,101	-	351,277	-	-	494,313			
Special Deposits	5,237	97,158	148,173	150	-	-	86,618	337,336			
Total Liabilities	47,923	187,120	232,661	735	645,017	-	88,201	1,201,657			
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Property Taxes Levied for Subsequent Year	680,396	-	120,000	-	75,000	1,727,140	-	2,602,536			
Leases Receivable	197,780	-	-	-	-	-	-	197,780			
Total Deferred Inflows of Resources	878,176	-	120,000	-	75,000	1,727,140	-	2,800,316			
<b>FUND BALANCES</b>											
Nonspendable	50,908	42,705	2,040	-	46,168	-	1,000	142,821			
Restricted	-	-	-	411,074	-	549,344	-	960,418			
Committed	-	17,705	86,604	-	-	-	-	104,309			
Unassigned	983,383	-	-	-	(494,294)	-	(17,159)	471,930			
Total Fund Balances	1,034,291	60,410	88,644	411,074	(448,126)	549,344	(16,159)	1,679,478			
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,960,390	\$ 247,530	\$ 441,305	\$ 411,809	\$ 271,891	\$ 2,276,484	\$ 72,042	\$ 5,681,451			

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF EGG HARBOR, WISCONSIN  
RECONCILIATION TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances as Shown on Previous Page \$ 1,679,478

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. 37,287,999

Deferred outflows and inflows of resources represent a consumption or  
acquisition of net position that applies to a future period and, therefore  
are not reported in the funds.

Deferred Outflows Related to Pensions	248,835
Deferred Inflows Related to Pensions	(149,722)
Deferred Outflows Related to Other Postemployment Benefits	17,289
Deferred Inflows Related to Other Postemployment Benefits	(19,933)

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

Bonds and Notes Payable	(19,741,324)
Compensated Absences	(49,103)
Discount on Debt	2,872
Premium on Debt	(945,839)
Net Pension Liability	(27,804)
Net Other Postemployment Benefit	(29,354)
Accrued Interest on Long-Term Obligations	(142,429)

Net Position of Governmental Activities as Reported on the Statement of  
Net Position \$ 18,130,965

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

	Special Revenue					Room Tax and		Capital		Debt		Special Revenue	
	General	Marina	Pavilion/ Library	Restricted Donations	Projects	Service	Joint Operations- Village Share	Totals					
<b>REVENUES</b>													
Taxes	\$ 673,740	\$ -	\$ 120,000	\$ 308,246	\$ 75,000	\$ 1,443,301	\$ -	\$ 2,620,287					
Intergovernmental	171,297	-	-	-	3,719,840	-	900	3,892,037					
Licenses and Permits	106,324	-	-	-	-	-	-	106,324					
Fines and Forfeits	85	-	-	-	-	-	-	85					
Public Charges for Services	4,911	560,626	201,163	11,626	-	-	950	779,276					
Intergovernmental Charges for Services	16,486	-	-	-	-	-	-	16,486					
Miscellaneous	139,312	1,411	46,482	328,736	127,526	3,200	6,619	653,286					
Total Revenues	1,112,155	562,037	367,645	648,608	3,922,366	1,446,501	8,469	8,067,781					
<b>EXPENDITURES</b>													
Current:													
General Government	546,986	-	-	-	20,628	-	-	567,614					
Public Safety	26,619	-	-	-	-	-	158,568	185,187					
Public Works	334,214	-	-	-	8,350	-	-	342,564					
Health and Human Services	1,258	-	-	-	-	-	3,588	4,846					
Culture and Recreation	36,236	540,082	289,807	239,705	72,687	-	768	1,179,285					
Conservation and Development	27,584	-	-	42,827	-	-	-	70,411					
Debt Service:													
Principal	-	-	-	-	-	1,034,576	-	1,034,576					
Interest and Fiscal Charges	-	-	-	-	63,750	726,467	-	790,217					
Capital Outlay	-	-	-	-	10,701,324	-	-	10,701,324					
Total Expenditures	972,897	540,082	289,807	282,532	10,866,739	1,761,043	162,924	14,876,024					
<b>EXCESS OF REVENUES OVER (UNDER)</b>													
<b>EXPENDITURES</b>													
139,258	21,955	77,838	366,076	(6,944,373)	(314,542)	(154,455)	(6,808,243)						
<b>OTHER FINANCING SOURCES (USES)</b>													
Long-Term Debt Issued	-	-	-	-	2,500,000	-	-	2,500,000					
Premium on Debt Issued	-	-	-	-	-	125,960	-	125,960					
Transfers In	166,000	-	-	-	-	80,000	137,312	383,312					
Transfers Out	(119,562)	(80,000)	-	(166,000)	(17,750)	-	-	(383,312)					
Total Other Financing Sources (Uses)	46,438	(80,000)	-	(166,000)	2,482,250	205,960	137,312	2,625,960					
<b>NET CHANGE IN FUND BALANCES</b>	185,696	(58,045)	77,838	200,076	(4,462,123)	(108,582)	(17,143)	(4,182,283)					
Fund Balances - January 1	848,595	118,455	10,806	210,998	4,013,997	657,926	984	5,861,761					
<b>FUND BALANCES - DECEMBER 31</b>	\$ 1,034,291	\$ 60,410	\$ 88,644	\$ 411,074	\$ (448,126)	\$ 549,344	\$ (16,159)	\$ 1,679,478					

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF EGG HARBOR, WISCONSIN  
RECONCILIATION TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2024**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances as Shown on Previous Page \$ (4,182,283)

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	10,551,654
Depreciation Expense Reported in the Statement of Activities	(818,541)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Long-Term Debt Issued	(2,500,000)
Premium on Debt Issued	(125,960)
Principal Repaid	1,034,552

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	69,094
Amortization of Premiums and Discounts	90,810
Compensated Absences	(49,103)
Net Pension Liability	80,026
Deferred Outflows of Resources Related to Pensions	(152,044)
Deferred Inflows of Resources Related to Pensions	77,784
Net Other Postemployment Benefits	(597)
Deferred Outflows of Resources Related to Other Postemployment Benefits	(3,412)
Deferred Inflows of Resources Related to Other Postemployment Benefits	3,188
Deferred Inflows of Resources related to Pledges Receivable	(70,000)

Change in Net Position of Governmental Activities as Reported in the Statement of Activities	<u>\$ 4,005,168</u>
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**VILLAGE OF EGG HARBOR, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2024**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 673,740	\$ 673,740	\$ 673,740	\$ -
Intergovernmental	144,013	144,013	171,297	27,284
Licenses and Permits	96,393	96,393	106,324	9,931
Fines and Forfeits	-	-	85	85
Public Charges for Services	2,900	2,900	4,911	2,011
Intergovernmental Charges for Services	14,500	14,500	16,486	1,986
Miscellaneous	59,000	59,000	139,312	80,312
Total Revenues	990,546	990,546	1,112,155	121,609
<b>EXPENDITURES</b>				
Current:				
General Government	516,113	516,113	546,986	(30,873)
Public Safety	29,700	29,700	26,619	3,081
Public Works	419,712	419,712	334,214	85,498
Health and Human Services	2,449	2,449	1,258	1,191
Culture and Recreation	26,075	26,075	36,236	(10,161)
Conservation and Development	46,543	46,543	27,584	18,959
Debt Service:				
Interest and Fiscal Charges	700	700	-	700
Total Expenditures	1,041,292	1,041,292	972,897	68,395
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(50,746)	(50,746)	139,258	190,004
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	166,000	166,000	166,000	-
Transfers Out	(114,652)	(114,652)	(119,562)	(4,910)
Total Other Financing Sources (Uses)	51,348	51,348	46,438	(4,910)
<b>NET CHANGE IN FUND BALANCE</b>	602	602	185,696	185,094
Fund Balance - January 1	848,595	848,595	848,595	-
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ 849,197</u>	<u>\$ 849,197</u>	<u>\$ 1,034,291</u>	<u>\$ 185,094</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, 2024**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Public Charges for Services	\$ 622,425	\$ 622,425	\$ 560,626	\$ (61,799)
Miscellaneous	1,500	1,500	1,411	(89)
Total Revenues	623,925	623,925	562,037	(61,888)
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation	502,425	502,425	540,082	(37,657)
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	121,500	121,500	21,955	(99,545)
<b>OTHER FINANCING USES</b>				
Transfers Out	(80,000)	(80,000)	(80,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	41,500	41,500	(58,045)	(99,545)
Fund Balance - January 1	118,455	118,455	118,455	-
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ 159,955</u>	<u>\$ 159,955</u>	<u>\$ 60,410</u>	<u>\$ (99,545)</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, 2024**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 120,000	\$ 120,000	\$ 120,000	\$ -
Public Charges for Services	152,500	152,500	201,163	48,663
Miscellaneous	42,500	42,500	46,482	3,982
Total Revenues	315,000	315,000	367,645	52,645
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation	310,017	310,017	289,807	20,210
<b>NET CHANGE IN FUND BALANCE</b>	4,983	4,983	77,838	72,855
Fund Balance - January 1	10,806	10,806	10,806	-
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ 15,789</u>	<u>\$ 15,789</u>	<u>\$ 88,644</u>	<u>\$ 72,855</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, 2024**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 260,000	\$ 260,000	\$ 308,246	\$ 48,246
Public Charges for Services	-	-	11,626	11,626
Miscellaneous	187,042	187,042	328,736	141,694
Total Revenues	447,042	447,042	648,608	201,566
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation	271,175	271,175	239,705	31,470
Conservation and Development	34,442	34,442	42,827	(8,385)
Total Expenditures	305,617	305,617	282,532	23,085
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	141,425	141,425	366,076	224,651
<b>OTHER FINANCING USES</b>				
Transfers Out	(166,000)	(166,000)	(166,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(24,575)	(24,575)	200,076	224,651
Fund Balance - January 1	210,998	210,998	210,998	-
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ 186,423</u>	<u>\$ 186,423</u>	<u>\$ 411,074</u>	<u>\$ 224,651</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF EGG HARBOR, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUND – SEWER UTILITY  
DECEMBER 31, 2024**

**ASSETS**

Current Assets:

Cash and Investments	\$ 2,859,807
Receivables:	
Customer Accounts	262,015
Special Assessments	31,262
Inventories and Prepaid Items	21,486
Total Current Assets	<u>3,174,570</u>

Noncurrent Assets:

Restricted Assets:	
Cash and Investments	723,585

Capital Assets:

Nondepreciable	335,713
Depreciable	9,282,647
Total Capital Assets	<u>9,618,360</u>

Total Assets	13,516,515
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**DEFERRED OUTFLOWS OF RESOURCES**

Pension Related Amounts	157,376
Other Postemployment Related Amounts	10,829
Total Deferred Outflows of Resources	<u>168,205</u>

**LIABILITIES**

Current Liabilities:

Accounts Payable	30,871
Current Portion of Long-Term Debt	203,313
Accrued Interest Payable	13,130
Total Current Liabilities	<u>247,314</u>

Long-Term Obligations:

Long-Term Debt	4,019,983
Net Pension Liability	17,530
Net Other Postemployment Benefits	18,387
Total Long-Term Liabilities	<u>4,055,900</u>

Total Liabilities	4,303,214
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**DEFERRED INFLOWS OF RESOURCES**

Pension Related Amounts	94,399
Other Postemployment Related Amounts	12,486
Total Deferred Inflows of Resources	<u>106,885</u>

**NET POSITION**

Net Investment in Capital Assets	5,395,064
Restricted for Equipment Replacement	723,585
Unrestricted	3,155,972
Total Net Position	<u>\$ 9,274,621</u>

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, 2024**

**OPERATING REVENUES**

Charges for Services	\$ 1,156,719
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**OPERATING EXPENSES**

Operation and Maintenance	638,966
Depreciation	515,965
Total Operating Expenses	1,154,931

**OPERATING INCOME**

1,788

**NONOPERATING REVENUES (EXPENSES)**

Interest Income	30,737
Interest and Fiscal Charges	(75,152)
Other	20,955
Total Nonoperating Revenues (Expenses)	(23,460)

**LOSS BEFORE CONTRIBUTIONS AND TRANSFERS**

(21,672)

Capital Contributions

405,478

**CHANGE IN NET POSITION**

383,806

Net Position - January 1

8,890,815

**NET POSITION - DECEMBER 31**

\$ 9,274,621

**VILLAGE OF EGG HARBOR, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND – SEWER UTILITY  
YEAR ENDED DECEMBER 31, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Customers	\$ 1,115,924
Cash Paid for Employee Wages and Benefits	(219,101)
Cash Paid to Suppliers	(814,752)
Net Cash Provided by Operating Activities	<u>82,071</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Nonoperating Revenue	20,955
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**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition of Capital Assets	(579,686)
Capital Contributions	408,967
Proceeds from Long-Term Debt	490,613
Principal Paid on Long-Term Debt	(183,862)
Interest Paid on Long-Term Debt	(73,390)
Net Cash Provided by Capital and Related Financing Activities	<u>62,642</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest Received	<u>30,737</u>
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**CHANGE IN CASH AND INVESTMENTS**

196,405

Cash and Investments - January 1

3,386,987

**CASH AND INVESTMENTS - DECEMBER 31**

\$ 3,583,392

**VILLAGE OF EGG HARBOR, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND – SEWER UTILITY (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

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

Operating Income	\$ 1,788
Adjustments to Reconcile Net Income to Net Cash	
Provided by Operating Activities:	
Depreciation	515,964
Change in Net Pension Asset/Liability	(44,208)
Change in Pension Deferred Outflows of Resources	86,142
Change in Pension Deferred Inflows of Resources	(49,065)
Change in Net OPEB Liability	1,963
Change in OPEB Deferred Outflows of Resources	(10,829)
Change in OPEB Deferred Inflows of Resources	12,486
Change in Operating Assets and Liabilities:	
Accounts Receivables	(40,795)
Inventories and Prepaid Items	(7,870)
Accounts Payable	(417,101)
Compensated Absences	33,596
Net Cash Provided by Operating Activities	<u>\$ 82,071</u>

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

Cash and Investments in Current Assets	\$ 2,859,807
Cash and Investments in Restricted Assets	<u>723,585</u>
Total Cash and Investments	<u>\$ 3,583,392</u>

**NONCASH CAPITAL AND RELATED  
FINANCING ACTIVITIES**

Capital Related Accounts Payable	<u>\$ 217,059</u>
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**VILLAGE OF EGG HARBOR, WISCONSIN  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND - CUSTODIAL  
DECEMBER 31, 2024**

**ASSETS**

Cash and Investments	\$ 729,916
Receivables:	
Taxes and Special Charges	<u>3,220,141</u>
Total Assets	3,950,057

**DEFERRED INFLOWS OF RESOURCES**

Property Taxes Levied for Subsequent Year	<u>3,950,057</u>
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**NET POSITION**

Restricted for Others	<u><u>\$ -</u></u>
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*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, 2024**

**ADDITIONS**

Taxes and Special Charges Collected	\$ 3,776,226
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**DEDUCTIONS**

Current:	
Payments to Other Districts	<u>3,776,226</u>

<b>CHANGE IN NET POSITION</b>	<b>-</b>
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Net Position - January 1	<u>-</u>
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<b>NET POSITION - DECEMBER 31</b>	<b><u><u>\$ -</u></u></b>
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See accompanying Notes to Basic Financial Statements.

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

**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 2024, the Village received \$308,246 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, 2024**

**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, 2024**

**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, 2024**

**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.

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, 2024**

**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 2023 tax roll are recognized as revenue in 2024.)

**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, 2024**

**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, 2024**

**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**

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

**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, 2024**

**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. Pension**

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

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

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

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

**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 accrual basis of accounting. This includes for purposes of measuring the following:

- Net OPEB Liability (Asset)
- Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB,
- OPEB Expense (Revenue)

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

**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, 2024**

**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, 2024**

**NOTE 2 STEWARDSHIP AND COMPLIANCE**

**A. Budgets and Budgetary Accounting**

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

1. During 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, 2024.

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

**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, 2024 as follows:

Funds	Excess Expenditures
General Fund:	
General Government:	
Village Board	\$ 2,561
General Administration	2,033
Financial Administration	85
Legal and Audit	30,190
Property and Liability Insurance	3,519
Public Works:	
Street Maintenance	1,885
Culture and Recreation:	
Parks	4,146
Vistor's Center	4,894
Conservation and Development:	
Engineering	175

The above excess expenditures were funded by positive revenue variances and fund balance.

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

**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 2024 and 2025 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 2024 budget was 3.094%. The actual limit for the Village for the 2025 budget was 1.803 %. 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, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

The carrying amount of the Village's cash and investments totaled \$7,004,656 on December 31, 2024 as summarized below:

Petty Cash and Cash on Hand	\$ 200
Deposits with Financial Institutions	6,220,266
Investments:	
Fixed Income - Debt Securities	108,768
Wisconsin Local Government Investment Pool	675,422
Total	<u>\$ 7,004,656</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 5,551,155
Restricted Cash and Investments	723,585
Fiduciary Fund Statement of Net Position:	
Cash and Investments	729,916
Total	<u>\$ 7,004,656</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 \$78,620 in level 1 and \$30,148 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, 2024**

**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 \$1,000,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2024, \$3,408,614 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized. The Village has subsequently obtained collateral in January 2025.

**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
U.S. Treasuries	\$ 78,620	\$ 78,620	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Corp (FHLMC)	30,148	30,148	-	-	-
Totals	<u>\$ 108,768</u>	<u>\$ 108,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**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
U.S. Treasuries	\$ 78,620	\$ 78,620	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Corp (FHLMC)	30,148	30,148	-	-	-
Totals	<u>\$ 108,768</u>	<u>\$ 108,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Wisconsin Local Government Investment Pool**

The Village has investments in the Wisconsin local government investment pool of \$675,422 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, 2024, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

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

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2024 the Wisconsin local government investment pool had a weighted average maturity of 9 days.

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

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Restricted Assets**

Restricted assets on December 31, 2024 totaled \$723,585 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Sewer Utility:		
Equipment Replacement	\$ 723,585	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, 2024, in governmental activities the Village recognized \$17,512 and \$8,203 in lease revenue and interest revenue, respectively, pursuant to this agreement.

**D. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Nondepreciable:				
Land	\$ 5,097,348	\$ -	\$ -	\$ 5,097,348
Construction in Progress	4,957,936	10,535,729	-	15,493,665
Total Capital Assets, Nondepreciable	10,055,284	10,535,729	-	20,591,013
Capital Assets, Depreciable:				
Land Improvements	8,973,991	-	-	8,973,991
Buildings and Improvements	9,586,941	8,350	-	9,595,291
Machinery and Equipment	1,521,128	7,575	-	1,528,703
Infrastructure	8,782,487	-	-	8,782,487
Subtotals	28,864,547	15,925	-	28,880,472
Less: Accumulated Depreciation for:				
Land Improvements	3,923,770	311,968	-	4,235,738
Buildings and Improvements	1,975,656	198,134	-	2,173,790
Machinery and Equipment	1,153,428	79,188	-	1,232,616
Infrastructure	4,312,091	229,251	-	4,541,342
Subtotals	11,364,945	818,541	-	12,183,486
Total Capital Assets, Depreciable, Net	17,499,602	(802,616)	-	16,696,986
Governmental Activities Capital Assets, Net	\$ 27,554,886	\$ 9,733,113	\$ -	37,287,999
Less: Capital Related Debt				19,741,324
Less: Debt Premium				945,839
Add: Debt Discount				2,872
Less: Accounts Payable and Retainage Payable				214,780
Net Investment in Capital Assets				\$ 16,388,928

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

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital Assets, Nondepreciable:				
Land	\$ 313,823	\$ -	\$ -	\$ 313,823
Construction in Progress	3,913,483	796,745	4,688,338	21,890
Total Capital Assets, Nondepreciable:	4,227,306	796,745	4,688,338	335,713
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	4,688,338	250,000	9,642,562
Subtotals	13,902,894	4,688,338	250,000	18,341,232
Less: Accumulated Depreciation for:				
Nonallocated	8,792,621	515,964	250,000	9,058,585
Total Capital Assets, Depreciable, Net	5,110,273	4,172,374	-	9,282,647
Business-Type Activities Capital Assets, Net	<u>\$ 9,337,579</u>	<u>\$ 4,969,119</u>	<u>\$ 4,688,338</u>	9,618,360
Less: Capital Related Debt				<u>4,223,296</u>
Net Investment in Capital Assets				<u><u>\$ 5,395,064</u></u>

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

<b>Governmental Activities:</b>	
General Government	\$ 20,026
Public Safety	39,456
Public Works	257,835
Culture and Recreation	499,869
Health and Human Services	85
Conservation and Development	1,270
Total Depreciation Expense - Governmental Activities	<u>\$ 818,541</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, 2024, are detailed below:

	Interfund Receivables	Interfund Payables
<b>Governmental Funds:</b>		
General	\$ 494,313	\$ -
Capital Projects	-	351,277
Marina	-	63,935
Pavilion/Library	-	79,101
	<u>\$ 494,313</u>	<u>\$ 494,313</u>

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

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

Interfund transfers for the year ended December 31, 2024 were as follows:

Fund	Transfer In	Transfer Out
General	\$ 166,000	\$ 119,562
Capital Projects	-	17,750
Joint Operations	137,312	-
Marina	-	80,000
Room Tax	-	166,000
Debt Service	80,000	-
Total	<u>\$ 383,312</u>	<u>\$ 383,312</u>

Interfund transfers were made for the following purposes:

To Finance Joint Operations with Town of Egg Harbor	\$ 137,312
To Finance Debt Service Costs from Marina Operations per Budget Resolution	80,000
To Appropriate Room Tax Funds to General Fund per Budget Resolution	166,000
Total	<u>\$ 383,312</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, 2024:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Debt:					
Bonds	\$ 17,059,999	\$ 2,000,000	\$ 735,000	\$ 18,324,999	\$ 1,175,000
Notes from Direct Borrowings:					
Notes	1,215,877	500,000	299,552	1,416,325	337,516
Total General Obligation Debt	18,275,876	2,500,000	1,034,552	19,741,324	1,512,516
Debt Premium	911,645	125,960	91,766	945,839	-
Debt Discount	(3,828)	-	(956)	(2,872)	-
Compensated Absences	-	49,103	-	49,103	-
Governmental Activities Long-Term Obligations	<u>\$ 19,183,693</u>	<u>\$ 2,675,063</u>	<u>\$ 1,125,362</u>	<u>\$ 20,733,394</u>	<u>\$ 1,512,516</u>
<b>Business-Type Activities:</b>					
General Obligation Debt:					
Revenue Bonds	\$ 3,882,949	\$ 490,613	\$ 183,862	\$ 4,189,700	\$ 203,313
Compensated Absences	-	33,596	-	33,596	-
Business-Type Activities Long-Term Obligations	<u>\$ 3,882,949</u>	<u>\$ 524,209</u>	<u>\$ 183,862</u>	<u>\$ 4,223,296</u>	<u>\$ 203,313</u>

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

**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 \$1,416,325 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 \$705,748.

**General Obligation Debt**

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/24
General Obligation Bonds	5/29/13	10/1/29	0.70 - 2.80%	\$ 4,185,000	\$ 2,000,000
Note from Direct Borrowing	3/1/17	3/1/27	2.15 - 3.00%	2,180,000	880,000
General Obligation Bonds	10/24/19	4/1/39	2.00 - 3.00%	3,475,000	2,685,000
General Obligation Bonds	8/12/21	4/1/41	2.00 - 5.00%	5,015,000	4,140,000
Note from Direct Borrowing	7/2/21	12/2/26	3.50%	49,305	36,324
General Obligation Bonds	5/25/23	10/1/43	3.50%	7,500,000	7,500,000
General Obligation Bonds	5/30/24	4/1/39	4.00 - 5.00%	2,000,000	2,000,000
Note from Direct Borrowing	9/6/24	9/6/34	6.00%	500,000	500,000
Total Outstanding General Obligation Debt					<u>\$ 19,741,324</u>

Annual principal and interest maturities of the general obligation bonds and direct borrowing outstanding debt as of December 31, 2024 are detailed below:

Year Ended December 31,	Governmental Activities				Totals	
	G.O. Bonds		Direct Borrowings			
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,175,000	\$ 651,798	\$ 337,516	\$ 48,564	\$ 1,512,516	\$ 700,362
2026	920,000	583,102	366,699	39,558	1,286,699	622,660
2027	995,000	549,688	332,533	29,158	1,327,533	578,846
2028	1,330,000	508,438	45,058	23,154	1,375,058	531,592
2029	1,380,000	459,740	47,862	20,350	1,427,862	480,090
2030-2034	5,355,000	1,625,493	286,657	54,402	5,641,657	1,679,895
2035-2039	4,745,000	781,816	-	-	4,745,000	781,816
2040-2043	2,424,999	142,450	-	-	2,424,999	142,450
Total	\$ 18,324,999	\$ 5,302,525	\$ 1,416,325	\$ 215,186	\$ 19,741,324	\$ 5,517,711

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

**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, 2024 was \$12,004,631 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	19,741,324
Legal Margin for New Debt	<u>\$ 12,004,631</u>

**Revenue Bonds**

Revenue bonds outstanding on December 31, 2024 totaled \$4,189,700 and was comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/24
Clean Water Fund Program	07/28/21	05/01/41	1.485%	\$ 1,925,665	\$ 1,680,004
Clean Water Fund Program	04/12/23	05/01/42	2.145%	2,739,873	2,509,696
					<u>\$ 4,189,700</u>

Principal and interest maturities of the outstanding revenue bonds of \$4,189,700 on December 31, 2024 are detailed below:

Year Ending December 31,	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 203,313	\$ 76,889	\$ 280,202
2026	207,096	73,070	280,166
2027	210,951	69,178	280,129
2028	214,881	65,211	280,092
2029	218,885	61,168	280,053
2030-2034	1,157,247	242,413	1,399,660
2035-2039	1,269,577	129,002	1,398,579
2040-2042	707,750	19,117	726,867
Total	<u>\$ 4,189,700</u>	<u>\$ 736,048</u>	<u>\$ 4,925,748</u>

**Utility Revenues Pledged**

The Village has pledged future sewer customer revenues, net of specified operating expenses, to repay the sewer system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from sewer customer net revenues and are payable through 2041. The total principal and interest remaining to be paid on the bonds is \$4,925,748. Principal and interest paid for the current year and total customer net revenues were \$257,252 and \$548,490, respectively.

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

**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.

**Vesting**

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

**Benefits Provided**

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit, based on 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, 2024**

**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:

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

**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, 2024, the WRS recognized \$43,184 in contributions from the Village.

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

**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:

Employee Category	Employee	Employer
General (Including Executives, and Elected Officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	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, 2024, the Village reported an liability of \$45,334 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the Village's proportion was 0.00304915%, which was an decrease of 0.00015165% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Village recognized pension expense of \$31,713.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 182,790	\$ 242,106
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	157,985	-
Changes in Assumptions	19,760	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	2,492	2,015
Employer Contributions Subsequent to the Measurement Date	43,184	-
Total	<u>\$ 406,211</u>	<u>\$ 244,121</u>

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

**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)**

\$43,184 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. 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>
2025	\$ 24,452
2026	25,227
2027	99,382
2028	(30,155)
Total	<u>\$ 118,906</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, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
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, 2024**

**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, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

**Long-Term Expected Return on Plan Assets**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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	40	7.3	4.5
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
<u>Variable Fund Asset:</u>			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%

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. Currently, an asset allocation target of 12% policy is used, subject to an allowable range of up to 20%.

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

**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. The discount rate was based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension 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)	\$ 438,184	\$ 45,334	\$ (229,558)

**6. Payables to the Pension Plan**

At December 31, 2024, the Village reported a payable of \$17,253 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2024.

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

**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, 2024, the Village contributed \$6,117 to the plan, and the Village recognized pension expense of \$6,117.

**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, 2024**

**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, 2024 are:

Coverage Type	Employer Contribution
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, 2024**

**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, 2023 are listed below:

Life Insurance Member Contribution Rates Year Ended December 31, 2023		
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, 2024, the LRLIF recognized \$222 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, 2024, the Village reported a liability of \$47,741 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. 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, 2023, the Village's proportion was 0.01037700%, which was an decrease of 0.00148200% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Village recognized OPEB expense of \$3,270.

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

**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, 2024, 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	\$ -	\$ 4,225
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	645	-
Changes in Assumptions	14,934	18,799
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	12,539	9,395
Total	<u>\$ 28,118</u>	<u>\$ 32,419</u>

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, 2025. Other Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2025	\$ (635)
2026	1,063
2027	63
2028	(1,698)
2029	(2,715)
Thereafter	(379)
Total	<u>\$ (4,301)</u>

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

**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, 2023 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, 2023
Measurement Date of Net OPEB Liability (Asset):	December 31, 2023
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:	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
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, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 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, 2024**

**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	40.0 %	2.32 %
US Mortgages	Bloomberg US MBS	60.0	2.52
Inflation			2.30
Long-Term Expected Rate of Return			4.25

*Single discount rate* – A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.79% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. 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, 2024**

**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 3.32%, 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 (2.32%) or 1-percentage-point higher (4.32%) than the current rate:

	1% Decrease to Discount Rate (2.32)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
Village's Proportionate Share of the Net OPEB Liability (Asset)	\$ 64,147	\$ 47,741	\$ 35,218

**Payable to the OPEB Plan**

At December 31, 2024, the Village had no outstanding contribution to the plan required for the year ended December 31, 2024.

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

**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, 2024, nonspendable fund balance was as follows:

General Fund:	
Inventories and Prepaid Items	\$ 50,908
Marina Fund:	
Inventories and Prepaid Items	42,705
Pavilion/Library Fund:	
Inventories and Prepaid Items	2,040
Capital Projects Fund:	
Inventories and Prepaid Items	46,168
Nonmajor Fund: Joint Operations	
Inventories and Prepaid Items	<u>1,000</u>
Total Nonspendable Fund Balance	<u><u>\$ 142,821</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, 2024, restricted fund balance was as follows:

Room Tax and Restricted Donations:	
Restricted for:	
Peg Egan Performing Arts Center	\$ 411,074
Debt Service Fund:	
Restricted Debt Service	<u>549,344</u>
Total Restricted Fund Balance	<u><u>\$ 960,418</u></u>

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

**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, 2024, fund balance was committed as follows:

Marina Fund:	
Committed for Marina Operations	\$ 17,705
Pavilion/Library Fund:	
Committed for Pavilion/Library Operations	<u>86,604</u>
Total	<u>\$ 104,309</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.

DRAFT FOR MANAGEMENT REVIEW ONLY - SUBJECT TO REVISION

#### **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%
12/31/23	0.00304915%	45,334	585,361	-7.74%	98.85%

**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	-	585,361	6.80%
12/31/24	43,184	43,184	-	625,833	6.90%

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%
12/31/23	0.01037700%	47,741	485,000	9.84%	33.90%

**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	-	485,000	0.04%
12/31/24	222	222	-	465,000	0.05%

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF EGG HARBOR, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2024**

**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, 2024**

**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:*

The State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure 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**

DRAFT FOR MANAGEMENT REVIEW ONLY - SUBJECT TO REVISION

**VILLAGE OF EGG HARBOR, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES  
YEAR ENDED DECEMBER 31, 2024**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
Taxes:				
Property Tax	\$ 673,740	\$ 673,740	\$ 673,740	\$ -
Intergovernmental:				
State:				
Shared Taxes	41,751	41,751	41,758	7
Exempt Computer Aid	347	347	347	-
Fire Insurance	14,978	14,978	19,716	4,738
Transportation	86,937	86,937	86,937	-
Other State Grants	-	-	22,539	22,539
Total Intergovernmental	144,013	144,013	171,297	27,284
Licenses and Permits:				
Liquor Licenses	7,688	7,688	7,912	224
Operator's Licenses	1,100	1,100	1,365	265
Tobacco Licenses	75	75	50	(25)
Dog Licenses	30	30	18	(12)
Business Licenses	9,500	9,500	10,500	1,000
Zoning Administration	40,000	40,000	24,777	(15,223)
Cable Franchise Fees	7,000	7,000	7,643	643
Building Inspections	30,000	30,000	27,934	(2,066)
Other Licenses and Permits	1,000	1,000	26,125	25,125
Total Licenses and Permits	96,393	96,393	106,324	9,931
Fines and Forfeits:				
Parking Violations	-	-	85	85
Public Charges for Services:				
Parks Use Fees	400	400	1,320	920
Park Concessions	2,500	2,500	3,591	1,091
Total Public Charges for Services	2,900	2,900	4,911	2,011
Intergovernmental Charges for Services:				
Town Share of Recycling	14,500	14,500	16,486	1,986
Miscellaneous:				
Interest on Investments	29,000	29,000	82,075	53,075
Donations	500	500	17,519	17,019
Recycling Rebates	1,500	1,500	1,364	(136)
Community Building Rent	21,600	21,600	23,400	1,800
Insurance Dividends	900	900	675	(225)
Miscellaneous	5,500	5,500	14,279	8,779
Total Miscellaneous	59,000	59,000	139,312	80,312
Total Revenues	\$ 990,546	\$ 990,546	\$ 1,112,155	\$ 121,609

**VILLAGE OF EGG HARBOR, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES  
YEAR ENDED DECEMBER 31, 2024**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
General Government:				
Village Board	\$ 33,755	\$ 33,755	\$ 36,316	\$ (2,561)
General Administration	242,603	242,603	244,636	(2,033)
Financial Administration	2,000	2,000	2,085	(85)
Revaluation	34,600	34,600	34,600	-
Professional Services	11,500	11,500	9,297	2,203
Legal and Audit	52,000	52,000	82,190	(30,190)
Elections	2,900	2,900	2,120	780
Property and Liability Insurance	30,000	30,000	33,519	(3,519)
Office Expenses	106,755	106,755	102,146	4,609
Total General Government	516,113	516,113	546,986	(30,873)
Public Safety:				
Building Inspection	27,000	27,000	26,619	381
Police Protection	2,700	2,700	-	2,700
Total Public Safety	29,700	29,700	26,619	3,081
Public Works:				
General Maintenance	317,884	317,884	266,073	51,811
Street Maintenance	17,050	17,050	18,935	(1,885)
Street Lighting	14,000	14,000	13,343	657
Recycling	23,778	23,778	18,403	5,375
Snow Removal	41,000	41,000	16,375	24,625
Weed Control	5,000	5,000	1,085	3,915
Sidewalks	1,000	1,000	-	1,000
Total Public Works	419,712	419,712	334,214	85,498
Health and Human Services:				
Animal Control	2,449	2,449	1,258	1,191
Culture and Recreation:				
Community Center	2,025	2,025	1,838	187
Parks	23,550	23,550	29,004	(5,454)
Visitor's Center	500	500	5,394	(4,894)
Total Culture and Recreation	26,075	26,075	36,236	(10,161)
Conservation and Development:				
Engineering	2,000	2,000	2,175	(175)
Zoning Administration	34,000	34,000	17,872	16,128
Planning Commission	10,543	10,543	7,537	3,006
Total Conservation and Development	46,543	46,543	27,584	18,959
Debt Service:				
Interest and Fiscal Charges	700	700	-	700
Total Expenditures	\$ 1,041,292	\$ 1,041,292	\$ 972,897	\$ 68,395

**VILLAGE OF EGG HARBOR, WISCONSIN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – JOINT OPERATIONS FUND – VILLAGE SHARE**  
**YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 900	\$ 900
Public Charges for Services	-	-	950	950
Miscellaneous	250	250	6,619	6,369
Total Revenues	250	250	8,469	8,219
<b>EXPENDITURES</b>				
Current:				
Public Safety	159,462	159,462	158,568	894
Health and Human Services	2,558	2,558	3,588	(1,030)
Culture and Recreation	1,442	1,442	768	674
Total Expenditures	163,462	163,462	162,924	538
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(163,212)	(163,212)	(154,455)	8,757
<b>OTHER FINANCING SOURCES</b>				
Transfers In	144,402	144,402	137,312	(7,090)
<b>NET CHANGE IN FUND BALANCE</b>	(18,810)	(18,810)	(17,143)	1,667
Fund Balance - January 1	984	984	984	-
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ (17,826)</u>	<u>\$ (17,826)</u>	<u>\$ (16,159)</u>	<u>\$ 1,667</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, 2024**

	Budget			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Intergovernmental	3,692,000	3,692,000	3,719,840	27,840
Miscellaneous	-	-	127,526	127,526
Total Revenues	3,767,000	3,767,000	3,922,366	155,366
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	20,628	(20,628)
Public Safety	29,750	29,750	-	29,750
Public Works	18,000	18,000	8,350	9,650
Culture and Recreation	548,740	548,740	72,687	476,053
Conservation and Development	480,000	480,000	-	480,000
Debt Service:				
Interest and Fiscal Charges	-	-	63,750	(63,750)
Capital Outlay	7,482,095	7,482,095	10,701,324	(3,219,229)
Total Expenditures	8,558,585	8,558,585	10,866,739	(2,308,154)
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	(4,791,585)	(4,791,585)	(6,944,373)	(2,152,788)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Debt Issued	480,000	480,000	2,500,000	2,020,000
Transfers In	4,064,273	4,064,273	-	(4,064,273)
Transfers Out	-	-	(17,750)	(17,750)
Total Other Financing Sources (Uses)	4,544,273	4,544,273	2,482,250	(2,062,023)
<b>NET CHANGE IN FUND BALANCE</b>	(247,312)	(247,312)	(4,462,123)	(4,214,811)
Fund Balance - January 1	850,679	850,679	4,013,997	3,163,318
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ 603,367</u>	<u>\$ 603,367</u>	<u>\$ (448,126)</u>	<u>\$ (1,051,493)</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, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated REPORT DATE.

**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 questioned costs, 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 questioned costs as item 2024-002 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 questioned costs as item 2024-001 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 questioned costs. 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 compliance. Accordingly, this communication is not suitable for any other purpose.

### **CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
REPORT DATE

DRAFT FOR MANAGEMENT REVIEW ONLY - SUBJECT TO REVISION

#### **FEDERAL AWARDS**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY THE UNIFORM GUIDANCE**

Village Board  
Village of Egg Harbor, Wisconsin

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Village of Egg Harbor, Wisconsin's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Village of Egg Harbor, Wisconsin's major federal programs for the year ended December 31, 2024. Village of Egg Harbor, Wisconsin's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Village of Egg Harbor, Wisconsin complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Village of Egg Harbor, Wisconsin and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Village of Egg Harbor, Wisconsin's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Village of Egg Harbor, Wisconsin's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Village of Egg Harbor, Wisconsin's compliance based on our audit. 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, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Village of Egg Harbor, Wisconsin's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Village of Egg Harbor, Wisconsin's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Village of Egg Harbor, Wisconsin's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Village of Egg Harbor, Wisconsin's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**CliftonLarsonAllen LLP**  
Green Bay, Wisconsin  
REPORT DATE

**VILLAGE OF EGG HARBOR, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2024**

Grantor Agency/Federal Program Cluster or Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/24	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/24	Total Expenditures	Subrecipient Payment
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>								
Federal Transit Formula Grants (Urbanized Area Formula Program)								
Highway Planning and Construction - Congestion Mitigation and Air Quality	20.205	Wisconsin Department of Transportation	Unknown	\$ -	\$ 1,740,480	\$ -	\$ 1,740,480	\$ -
Highway Planning and Construction - Carbon Reduction Program	20.205	Wisconsin Department of Transportation	Unknown	-	596,480	-	596,480	-
Highway Planning and Construction -								
Noninfrastructure Transportation Alternatives Program	20.205	Wisconsin Department of Transportation	Unknown	-	1,382,880	-	1,382,880	-
Total Highway Planning and Construction				-	3,719,840	-	3,719,840	-
Total U.S. Department of Transportation				-	3,719,840	-	3,719,840	-
<b>U.S. DEPARTMENT OF AGRICULTURE</b>								
Urban Agriculture and Innovative Productions Grants Program (UAIP)	10.935	Direct	N/A	-	22,539	-	22,539	-
Total U.S. Department of Agriculture				-	22,539	-	22,539	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				\$ -	\$ 3,742,379	\$ -	\$ 3,742,379	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**VILLAGE OF EGG HARBOR, WISCONSIN  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2024**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal and state awards for the Village are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The schedules of expenditures of federal and state awards include all federal and state awards of the Village. Because the schedules present only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Village.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the Village's 2024 fund financial statements. Such expenditures are recognized following the cost principles contained in Uniform Guidance where in certain types of expenditures are not allowable or are limited as to reimbursement. Accrued revenue at year-end consists of federal program expenditures scheduled for reimbursement to the Village in the succeeding year while unearned revenue represents advances for federal programs that exceed recorded Village expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

The Village has not elected to charge a de minimis rate of 10% of modified total costs.

**NOTE 3 OVERSIGHT AGENCIES**

The federal oversight agencies for the Village are as follows:

Federal - U.S. Department of Transportation  
Federal - U.S. Department of Agriculture

**VILLAGE OF EGG HARBOR, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2024**

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**Section I – Schedule of Findings and Questioned Costs**

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**Basic Financial Statements**

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?     X     yes            no
  - Significant deficiency(ies) identified?     X     yes            none reported
3. Noncompliance material to basic financial statements noted?            yes     X     no

**Federal Awards**

1. Internal control over major program:
- Material weakness(es) identified?            yes     X     no
  - Significant deficiency(ies) identified?            yes     X     none reported
2. Type of auditors' report issued on compliance for major programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?            yes     X     no

**Identification of Major Federal Programs**

**Assistance Listing Number**

20.205

**Name of Federal Program**

Highway Planning and Construction – Congestion Mitigation and Air Quality/Carbon Reduction Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

           yes     X     no

**VILLAGE OF EGG HARBOR, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

***Section II – Financial Statement Findings***

<b>Finding No.</b>	<b>Control Deficiencies</b>
<b>2024-001</b>	<b>Preparation of Annual Financial Report</b>
<b>Type of Finding:</b>	Significant Deficiency in Internal Control Over Financial Reporting
<b>Condition:</b>	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.
<b>Criteria:</b>	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.
<b>Cause:</b>	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.
<b>Effect:</b>	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.
<b>Repeat Finding:</b>	Yes; 2023-001
<b>Recommendation:</b>	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.
<b>Management Response:</b>	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 QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

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***Section II – Financial Statement Findings (Continued)***

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<b>Finding No.</b>	<b>Control Deficiencies</b>
<b>2024-002</b>	<b>Adjustments to the Village's Financial Records</b>
<b>Type of Finding:</b>	Material Weakness in Internal Control Over Financial Reporting
<b>Condition:</b>	As part of our audit, we proposed adjusting journal entries, some of which are material to the Village's financial statements.
<b>Criteria:</b>	Adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
<b>Cause:</b>	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.
<b>Effect:</b>	Year-end financial records prepared by the Village may contain material misstatements.
<b>Repeat Finding:</b>	Yes; 2023-002
<b>Recommendation:</b>	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.
<b>Management Response:</b>	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.

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**Section III – Findings and Questioned Costs - Major Federal Programs**

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**VILLAGE OF EGG HARBOR, WISCONSIN**

**FINANCIAL STATEMENT AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**



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## 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
<b>ASSETS</b>			
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	<u>36,539,523</u>	<u>12,994,153</u>	<u>49,533,676</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Amounts	400,879	231,694	632,573
Other Postemployment Related Amounts	20,701	11,824	32,525
Total Deferred Outflows of Resources	<u>421,580</u>	<u>243,518</u>	<u>665,098</u>
<b>LIABILITIES</b>			
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	<u>20,061,461</u>	<u>4,203,392</u>	<u>24,264,853</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
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	<u>2,773,845</u>	<u>143,464</u>	<u>2,917,309</u>
<b>NET POSITION</b>			
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	<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**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
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	3,637,248	864,093	178,702	10,438
<b>BUSINESS-TYPE ACTIVITIES</b>				
Sewer Utility	1,211,905	1,064,914	-	1,588,711
Total	\$ 4,849,153	\$ 1,929,007	\$ 178,702	\$ 1,599,149

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
<b>GOVERNMENTAL ACTIVITIES</b>			
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)
<b>BUSINESS-TYPE ACTIVITIES</b>			
Sewer Utility	-	1,441,720	1,441,720
Total	(2,584,015)	1,441,720	(1,142,295)
<b>GENERAL REVENUES</b>			
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
<b>CHANGE IN NET POSITION</b>	(626,306)	1,474,545	848,239
Net Position - January 1	14,752,103	7,416,270	22,168,373
<b>NET POSITION - DECEMBER 31</b>	<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	
<b>ASSETS</b>								
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**

<b>LIABILITIES</b>								
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	<u>56,076</u>	<u>210,163</u>	<u>245,240</u>	<u>594</u>	<u>115,744</u>	<u>-</u>	<u>3,743</u>	<u>631,560</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
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	<u>884,917</u>	<u>-</u>	<u>120,000</u>	<u>70,000</u>	<u>75,000</u>	<u>1,443,301</u>	<u>41,134</u>	<u>2,634,352</u>
<b>FUND BALANCES</b>								
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	<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>
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
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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
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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><u>\$ 14,125,797</u></u>
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**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 Nonmajor Fund:			Totals
	General	Marina	Pavilion/ Library	Room Tax and Restricted Donations	Capital Projects	Debt Service	Joint Operations	
<b>REVENUES</b>								
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	1,037,417	572,139	294,578	492,898	272,029	336,624	15,896	3,021,581
<b>EXPENDITURES</b>								
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	870,413	576,705	291,455	370,423	3,572,819	1,603,322	151,326	7,436,463
<b>EXCESS OF REVENUES OVER (UNDER)</b>								
<b>EXPENDITURES</b>	167,004	(4,566)	3,123	122,475	(3,300,790)	(1,266,698)	(135,430)	(4,414,882)
<b>OTHER FINANCING SOURCES (USES)</b>								
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)	86,590	(85,000)	-	(188,000)	6,464,108	1,612,310	137,302	8,027,310
<b>NET CHANGE IN FUND BALANCES</b>	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
<b>FUND BALANCES - DECEMBER 31</b>	\$ 848,595	\$ 118,455	\$ 10,806	\$ 210,998	\$ 4,013,997	\$ 657,926	\$ 984	\$ 5,861,761

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)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Long-Term Debt Issued	(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><u>\$ (626,306)</u></u>
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**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			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
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	861,688	861,688	1,037,417	175,729
<b>EXPENDITURES</b>				
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	1,037,695	1,037,695	870,413	167,282
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(176,007)	(176,007)	167,004	343,011
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	188,000	188,000	188,000	-
Transfers Out	-	-	(101,410)	(101,410)
Total Other Financing Sources (Uses)	188,000	188,000	86,590	(101,410)
<b>NET CHANGE IN FUND BALANCE</b>	11,993	11,993	253,594	241,601
Fund Balance - January 1	595,001	595,001	595,001	-
<b>FUND BALANCE - DECEMBER 31</b>	<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		
<b>REVENUES</b>				
Public Charges for Services	\$ 557,544	\$ 557,544	\$ 570,694	\$ 13,150
Miscellaneous	1,000	1,000	1,445	445
Total Revenues	558,544	558,544	572,139	13,595
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation	458,258	458,258	572,288	(114,030)
Capital Outlay	9,000	9,000	4,417	4,583
Total Expenditures	467,258	467,258	576,705	(109,447)
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	91,286	91,286	(4,566)	(95,852)
<b>OTHER FINANCING USES</b>				
Transfers Out	(85,000)	(85,000)	(85,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	6,286	6,286	(89,566)	(95,852)
Fund Balance - January 1	208,021	208,021	208,021	-
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ 214,307</u>	<u>\$ 214,307</u>	<u>\$ 118,455</u>	<u>\$ (95,852)</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**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
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	353,000	353,000	294,578	(58,422)
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation	344,571	344,571	291,455	53,116
<b>NET CHANGE IN FUND BALANCE</b>	8,429	8,429	3,123	(5,306)
Fund Balance - January 1	7,683	7,683	7,683	-
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ 16,112</u>	<u>\$ 16,112</u>	<u>\$ 10,806</u>	<u>\$ (5,306)</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**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
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	456,600	456,600	492,898	36,298
<b>EXPENDITURES</b>				
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	263,475	263,475	370,423	(106,948)
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	193,125	193,125	122,475	(70,650)
<b>OTHER FINANCING USES</b>				
Transfers Out	(188,000)	(188,000)	(188,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	5,125	5,125	(65,525)	(70,650)
Fund Balance - January 1	276,523	276,523	276,523	-
<b>FUND BALANCE - DECEMBER 31</b>	<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	<u>3,056,782</u>
Noncurrent Assets:	
Restricted Assets:	
Cash and Investments	599,792
Capital Assets:	
Nondepreciable	4,227,306
Depreciable	5,110,273
Total Capital Assets	<u>9,337,579</u>
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	<u>243,518</u>

**LIABILITIES**

Current Liabilities:	
Accounts Payable	230,913
Current Portion of Long-Term Debt	177,733
Accrued Interest Payable	11,368
Total Current Liabilities	<u>420,014</u>
Long-Term Obligations:	
General Obligation Debt	3,705,216
Net Pension Liability	61,738
Net Other Postemployment Benefits	16,424
Total Long-Term Liabilities	<u>3,783,378</u>
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	<u>143,464</u>

**NET POSITION**

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

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**

<b>OPERATING REVENUES</b>	
Charges for Services	\$ 1,064,914
Other Sewerage Revenues	<u>5,603</u>
Total Operating Revenues	1,070,517
<b>OPERATING EXPENSES</b>	
Operation and Maintenance	697,044
Depreciation	<u>471,581</u>
Total Operating Expenses	<u>1,168,625</u>
<b>OPERATING LOSS</b>	(98,108)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest Income	25,455
Interest and Fiscal Charges	(43,280)
Other	<u>1,767</u>
Total Nonoperating Revenues (Expenses)	<u>(16,058)</u>
<b>LOSS BEFORE CONTRIBUTIONS AND TRANSFERS</b>	(114,166)
Capital Contributions	<u>1,588,711</u>
<b>CHANGE IN NET POSITION</b>	1,474,545
Net Position - January 1	<u>7,416,270</u>
<b>NET POSITION - DECEMBER 31</b>	<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	<u>(447,559)</u>
Net Cash Provided by Operating Activities	387,891

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Nonoperating Revenue	1,767
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**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	<u>(36,494)</u>
Net Cash Provided by Capital and Related Financing Activities	73,545

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest Received	<u>25,455</u>
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**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><u>\$ 387,891</u></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><u>\$ 3,386,987</u></u>

**NONCASH CAPITAL AND RELATED  
FINANCING ACTIVITIES**

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

Current:

Payments to Other Districts	<u>3,257,712</u>
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**CHANGE IN NET POSITION**

-

Net Position - January 1

-

**NET POSITION - DECEMBER 31**

\$ -

*See accompanying Notes to Basic Financial Statements.*

**VILLAGE OF EGG HARBOR, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 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
<b>Governmental Activities:</b>				
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
<b>Business-Type Activities:</b>				
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>	9,337,579
Less: Capital Related Debt				3,882,949
Less: Accounts Payable and Retainage Payable				217,059
Net Investment in Capital Assets				<u><u>\$ 5,237,571</u></u>

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

<b>Governmental Activities:</b>	
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><u>\$ 822,918</u></u>
<b>Business-Type Activities:</b>	
Sewer Utility	<u><u>\$ 471,582</u></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><u>\$ 143,036</u></u>	<u><u>\$ 143,036</u></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
<b>Governmental Activities:</b>					
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>
<b>Business-Type Activities:</b>					
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	<u>\$ 13,470,079</u>

**Revenue Bonds**

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

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23
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
					<u>\$ 3,882,949</u>

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

Year Ending December 31,	Business-Type Activities		
	Principal	Interest	Total
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	<u>\$ 3,882,949</u>	<u>\$ 704,895</u>	<u>\$ 4,587,844</u>

**Utility Revenues Pledged**

The Village has pledged future sewer customer revenues, net of specified operating expenses, to repay the sewer system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from sewer customer net revenues and are payable through 2041. The total principal and interest remaining to be paid on the bonds is \$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	<u>\$ 32,525</u>	<u>\$ 36,327</u>

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:

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

**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>\$ 98,174</u></u>

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

**B. Contingencies**

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

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

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.00323978%	\$ (79,578)	\$ 440,087	18.08%	102.74%
12/31/15	0.00314179%	51,053	425,911	11.99%	98.20%
12/31/16	0.00303002%	24,975	425,750	5.87%	99.12%
12/31/17	0.00297090%	(88,209)	440,970	20.00%	102.93%
12/31/18	0.00297763%	105,934	463,635	22.85%	96.45%
12/31/19	0.00296760%	(95,688)	467,268	20.48%	102.96%
12/31/20	0.00314389%	(196,277)	579,479	33.87%	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			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
Taxes:				
Property Tax	\$ 651,206	\$ 651,206	\$ 651,207	\$ 1
Managed Forest Land Taxes	9	9	-	(9)
Total Taxes	651,215	651,215	651,207	(8)
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	94,493	94,493	96,971	2,478
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	70,380	70,380	136,289	65,909
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	3,500	3,500	3,364	(136)
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	28,100	28,100	145,076	116,976
Total Revenues	\$ 861,688	\$ 861,688	\$ 1,037,417	\$ 175,729

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

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
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	419,748	419,748	431,558	(11,810)
Public Safety:				
Building Inspection	122,561	122,561	41,491	81,070
Police Protection	2,500	2,500	2,769	(269)
Total Public Safety	125,061	125,061	44,260	80,801
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	427,213	427,213	323,475	103,738
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	32,258	32,258	23,853	8,405
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	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>

**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		
<b>REVENUES</b>				
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	7,922	7,922	15,896	7,974
<b>EXPENDITURES</b>				
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	174,724	174,724	151,326	23,398
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(166,802)	(166,802)	(135,430)	31,372
<b>OTHER FINANCING SOURCES</b>				
Transfers In	79,651	79,651	137,302	57,651
<b>NET CHANGE IN FUND BALANCE</b>	(87,151)	(87,151)	1,872	89,023
Fund Balance - January 1	(888)	(888)	(888)	-
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ (88,039)</u>	<u>\$ (88,039)</u>	<u>\$ 984</u>	<u>\$ 89,023</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			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Intergovernmental	-	-	10,438	10,438
Miscellaneous	15,000	15,000	186,591	171,591
Total Revenues	90,000	90,000	272,029	182,029
<b>EXPENDITURES</b>				
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	6,429,892	6,429,892	3,572,819	2,857,073
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	(6,339,892)	(6,339,892)	(3,300,790)	3,039,102
<b>OTHER FINANCING SOURCES (USES)</b>				
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)	5,309,892	5,309,892	6,464,108	1,154,216
<b>NET CHANGE IN FUND BALANCE</b>	(1,030,000)	(1,030,000)	3,163,318	4,193,318
Fund Balance - January 1	850,679	850,679	850,679	-
<b>FUND BALANCE - DECEMBER 31</b>	<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**

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***Summary of Auditors' Results***

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<b>Finding No.</b>	<b>Control Deficiencies</b>
<b>2023-001</b>	<b>Preparation of Annual Financial Report</b>
<b>Type of Finding:</b>	Significant Deficiency in Internal Control Over Financial Reporting
<b>Condition:</b>	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.
<b>Criteria:</b>	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.
<b>Cause:</b>	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.
<b>Effect:</b>	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.
<b>Repeat Finding:</b>	Yes; 2022-001
<b>Recommendation:</b>	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.
<b>Management Response:</b>	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**

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***Summary of Auditors' Results (Continued)***

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<b>Finding No.</b>	<b>Control Deficiencies</b>
<b>2023-002</b>	<b>Adjustments to the Village's Financial Records</b>
<b>Type of Finding:</b>	Material Weakness in Internal Control Over Financial Reporting
<b>Condition:</b>	As part of our audit, we proposed adjusting journal entries that were material to the Village's financial statements.
<b>Criteria:</b>	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
<b>Cause:</b>	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.
<b>Effect:</b>	Year-end financial records prepared by the Village may contain material misstatements.
<b>Repeat Finding:</b>	Yes; 2022-002
<b>Recommendation:</b>	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.
<b>Management Response:</b>	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.



**FORM OF LEGAL OPINION**

(See following pages)

Quarles & Brady LLP  
411 East Wisconsin Avenue  
Milwaukee, WI 53202

June 24, 2025

Re: Village of Egg Harbor, Wisconsin ("Issuer")  
\$3,055,000 Taxable General Obligation Promissory Notes, Series 2025A,  
dated June 24, 2025 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026	\$225,000	____%
2027	330,000	____
2028	210,000	____
2029	215,000	____
2030	220,000	____
2031	85,000	____
2032	90,000	____
2033	95,000	____
2034	100,000	____
2035	105,000	____
2036	110,000	____
2037	115,000	____
2038	125,000	____
2039	130,000	____
2040	135,000	____
2041	145,000	____
2042	150,000	____
2043	155,000	____
2044	155,000	____
2045	160,000	____

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2026.

The Notes maturing on April 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 1, 2034 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

【The Notes maturing in the years \_\_\_\_\_ are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.】

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.
2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.
3. The interest on the Notes is included for federal income tax purposes in the gross income of the owners of the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

## BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

(See following pages)

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Egg Harbor, Door County, Wisconsin (the "Issuer") in connection with the issuance of \$3,055,000 Taxable General Obligation Promissory Notes, Series 2025A, dated June 24, 2025 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on June 11, 2025 (the "Resolution") and delivered to \_\_\_\_\_ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at [www.emma.msrb.org](http://www.emma.msrb.org) in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated June 11, 2025 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Village Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the Village of Egg Harbor, Door County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Clerk-Treasurer of the Issuer who can be contacted at 7860 Highway 42, Egg Harbor, Wisconsin 54209, phone (920) 868-3334.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

### Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 20\_\_, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist

it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 24th day of June, 2025.

(SEAL)

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John C. Heller  
President

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Lynn K. Ohnesorge  
Village Clerk-Treasurer

## NOTICE OF SALE

### \$3,055,000\* TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025A VILLAGE OF EGG HARBOR, WISCONSIN

Bids for the purchase of \$3,055,000\* Taxable General Obligation Promissory Notes, Series 2025A (the "Notes") of the Village of Egg Harbor, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the Village, until 12:00 P.M. (Noon), Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 12:00 P.M. (Noon) Central Time, on **June 10, 2025**, at which time they will be opened, read and tabulated. The bids will be presented to the Village Board for consideration for award by resolution at a meeting to be held at 8:00 A.M., Central Time, on **June 11, 2025**. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

### AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including broadband upgrades, capital improvement projects and acquiring equipment. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

### DATES AND MATURITIES

The Notes will be dated June 24, 2025, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on April 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$225,000	2033	\$95,000	2040	\$135,000
2027	330,000	2034	100,000	2041	145,000
2028	210,000	2035	105,000	2042	150,000
2029	215,000	2036	110,000	2043	155,000
2030	220,000	2037	115,000	2044	155,000
2031	85,000	2038	125,000	2045	160,000
2032	90,000	2039	130,000		

### ADJUSTMENT OPTION

The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

### TERM BOND OPTION

Bids for the Notes may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

## **INTEREST PAYMENT DATES AND RATES**

Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2026, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

## **BOOK-ENTRY-ONLY FORMAT**

Unless otherwise specified by the purchaser, the Notes will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Notes. So long as Cede & Co. is the registered owner of the Notes, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Notes.

## **PAYING AGENT**

The Village has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

## **OPTIONAL REDEMPTION**

At the option of the Village, the Notes maturing on or after April 1, 2035 shall be subject to optional redemption prior to maturity on April 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the Village. If only part of the Notes having a common maturity date are called for redemption, then the Village or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

## **DELIVERY**

On or about June 24, 2025, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Notes must be received by the Village at its designated depository on the date of closing in immediately available funds.

## LEGAL MATTERS

An opinion as to the validity of the Notes will be furnished by Quarles & Brady LLP, of Milwaukee, Wisconsin, Bond Counsel to the Village ("Bond Counsel"). The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the Village; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Notes. Although, as Disclosure Counsel to the Village, Quarles & Brady LLP has assisted the Village with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

## SUBMISSION OF BIDS

Bids must not be for less than \$3,016,812.50, nor more than \$3,360,000, plus accrued interest on the principal sum of \$3,055,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to [bondsale@ehlers-inc.com](mailto:bondsale@ehlers-inc.com); or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 12:00 P.M., Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the Village nor Ehlers shall be responsible for any failure to receive a submission.

**A good faith deposit ("Deposit") in the amount of \$61,100 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids.** The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The Village and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the Village scheduled for award of the Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

### **AWARD**

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The Village's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The Village reserves the right to reject any and all bids and to waive any informality in any bid.

### **BOND INSURANCE**

If the Notes are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the Village requested and received a rating on the Notes from a rating agency, the Village will pay that rating fee. Any rating agency fees not requested by the Village are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

### **CUSIP NUMBERS**

The Village will assume no obligation for the assignment or printing of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

### **CONTINUING DISCLOSURE**

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the Village will enter into an undertaking for the benefit of the holders of the Notes. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

### **PRELIMINARY OFFICIAL STATEMENT**

Bidders may obtain a copy of the Official Statement relating to the Notes prior to the bid opening by request from Ehlers at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Village Board

Lynn Ohnesorge, Village Clerk-Treasurer  
Village of Egg Harbor, Wisconsin

# BID FORM

**Bid Date: June 10, 2025  
12:00 P.M. (Noon) C.T**

**The Village Board**

**Award Date: June 11, 2025  
8:00 A.M. C.T**

**Village of Egg Harbor, Wisconsin (the "Village")**

**RE: \$3,055,000\* Taxable General Obligation Promissory Notes, Series 2025A (the "Notes")**  
**DATED: June 24, 2025**

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ \_\_\_\_\_ (not less than \$3,016,812.50 nor more than \$3,360,500) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due	2026	_____ % due	2033	_____ % due	2040
_____ % due	2027	_____ % due	2034	_____ % due	2041
_____ % due	2028	_____ % due	2035	_____ % due	2042
_____ % due	2029	_____ % due	2036	_____ % due	2043
_____ % due	2030	_____ % due	2037	_____ % due	2044
_____ % due	2031	_____ % due	2038	_____ % due	2045
_____ % due	2032	_____ % due	2039		

The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

**A good faith deposit ("Deposit") in the amount of \$61,100 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids.** The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about June 24, 2025.

This bid is subject to the Village's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Official Statement for the Notes.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the Village with the reoffering price of the Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: \_\_\_\_ NO: \_\_\_\_.

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_  
Account Members:

**Award will be on a true interest cost basis.** According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from June 24, 2025 of the above bid is \$ \_\_\_\_\_ and the true interest cost (TIC) is \_\_\_\_%.

The foregoing offer is hereby accepted by and on behalf of the Village Board of the Village of Egg Harbor, Wisconsin, on June 11, 2025.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_