

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2022**



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DOOR COUNTY, WISCONSIN  
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DOOR COUNTY, WISCONSIN  
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## INDEPENDENT AUDITORS' REPORT

Town Board  
Town of Gibraltar  
Door County, 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 Town of Gibraltar, Door County, Wisconsin (the "Town") as of and for the year ended December 31, 2022, and the related and the related notes to the financial statements, which collectively comprise the Town'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 financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General 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 Town 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.

#### ***Emphasis of Matter***

As described in Note 1.I. to the financial statements, effective January 1, 2022, the Town adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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 Town'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 Town'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 financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

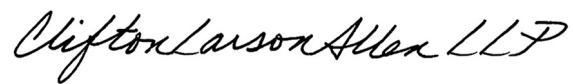
***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The detailed comparison of general fund budgeted and actual revenues and expenditures and nonmajor governmental fund combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the detailed comparison of general fund budgeted and actual revenues and expenditures and combining statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Town Board  
Town of Gibraltar  
Door County, Wisconsin

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023, on our consideration of the Town'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 Town'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 the Town's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
March 30, 2023

## **BASIC FINANCIAL STATEMENTS**



**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 1,755,582	\$ 248,559	\$ 2,004,141
Receivables:			
Taxes and Special Charges	1,799,485	-	1,799,485
Delinquent Taxes	3,119	-	3,119
Accounts, Net	216,787	-	216,787
Leases	97,269	-	97,269
Other	14,300	-	14,300
Due from Other Governments	3,664	-	3,664
Prepays and Inventory	9,504	46,143	55,647
Restricted Assets:			
Cash and Investments	581,008	-	581,008
Net Pension Asset	235,850	6,057	241,907
Capital Assets, Nondepreciated	7,397,736	-	7,397,736
Capital Assets, Depreciated and Amortized, Net	13,198,851	440,693	13,639,544
Total Assets	25,313,155	741,452	26,054,607
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Amounts	461,808	13,662	475,470
Other Postemployment Related Amounts	19,079	490	19,569
Total Deferred Outflows of Resources	480,887	14,152	495,039
<b>LIABILITIES</b>			
Accounts Payable	103,195	3,900	107,095
Accrued and Other Current Liabilities	23,567	-	23,567
Accrued Interest Payable	28,352	-	28,352
Special Deposits	15,913	42,515	58,428
Long-Term Obligations:			
Due Within One Year	1,098,141	-	1,098,141
Due in More Than One Year	10,219,660	-	10,219,660
Net Other Postemployment Benefits	34,482	886	35,368
Total Liabilities	11,523,310	47,301	11,570,611
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for Subsequent Year	2,795,243	-	2,795,243
Leases	97,269	-	97,269
Pension Related Amounts	557,360	14,314	571,674
Other Postemployment Related Amounts	12,413	319	12,732
Total Deferred Inflows of Resources	3,462,285	14,633	3,476,918
<b>NET POSITION</b>			
Net Investment in Capital Assets	9,389,580	440,693	9,830,273
Restricted			
Pension Benefits	235,850	6,057	241,907
Donations	80,185	-	80,185
Capital Projects - Infrastructure	151,399	-	151,399
Unrestricted	951,433	246,920	1,198,353
Total Net Position	\$ 10,808,447	\$ 693,670	\$ 11,502,117

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ 661,248	\$ 88,995	\$ 1,763	\$ -	\$ (570,490)	\$ -	\$ (570,490)
Public Safety	617,616	40,509	28,250	-	(548,857)	-	(548,857)
Public Works	740,472	374,124	201,869	-	(164,479)	-	(164,479)
Health and Human Services	3,468	17,875	-	-	14,407	-	14,407
Culture and Recreation	356,535	-	-	15,496	(341,039)	-	(341,039)
Conservation and Development	295,904	-	43,226	-	(252,678)	-	(252,678)
Interest and Fiscal Charges	201,031	-	-	-	(201,031)	-	(201,031)
Total Governmental Activities	2,876,274	521,503	275,108	15,496	(2,064,167)	-	(2,064,167)
<b>BUSINESS-TYPE ACTIVITIES</b>							
Marina	502,813	610,347	-	-	-	107,534	107,534
Total	\$ 3,379,087	\$ 1,131,850	\$ 275,108	\$ 15,496	(2,064,167)	107,534	(1,956,633)
<b>GENERAL REVENUES</b>							
Taxes:							
Property Taxes					1,606,630	-	1,606,630
Tax Increments					932,575	-	932,575
Other Taxes					434,687	-	434,687
Federal and State Grants and Other Contributions not Restricted to Specific Functions					155,782	-	155,782
Interest and Investment Earnings					8,498	-	8,498
Miscellaneous					73,883	-	73,883
Gain on Sale of Asset					16,689	-	16,689
Transfers					20,000	(20,000)	-
Total General Revenues					3,248,744	(20,000)	3,228,744
<b>CHANGE IN NET POSITION</b>							
					1,184,577	87,534	1,272,111
Net Position - Beginning of Year					9,623,870	606,136	10,230,006
<b>NET POSITION - END OF YEAR</b>							
					\$ 10,808,447	\$ 693,670	\$ 11,502,117

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
BALANCE SHEET  
DECEMBER 31, 2022**

	General	Debt Service	Other Governmental Funds	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 1,511,593	\$ -	\$ 243,989	\$ 1,755,582
Restricted Cash and Investments	57,078	411,229	112,701	581,008
Receivables:				
Taxes and Special Charges	1,057,932	741,553	-	1,799,485
Delinquent Taxes	3,119	-	-	3,119
Accounts	14,300	-	216,787	231,087
Leases	97,269	-	-	97,269
Due from Other Governments	3,664	-	-	3,664
Prepaid Supplies	9,504	-	-	9,504
Total Assets	<u>\$ 2,754,459</u>	<u>\$ 1,152,782</u>	<u>\$ 573,477</u>	<u>\$ 4,480,718</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 99,715	\$ -	\$ 3,480	\$ 103,195
Accrued and Other Current Liabilities	23,567	-	-	23,567
Special Deposits	15,913	-	-	15,913
Total Liabilities	<u>139,195</u>	<u>-</u>	<u>3,480</u>	<u>142,675</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for Subsequent Year	1,642,461	1,152,782	-	2,795,243
Leases	97,269	-	-	97,269
Total Deferred Inflows of Resources	<u>1,739,730</u>	<u>1,152,782</u>	<u>-</u>	<u>2,892,512</u>
<b>FUND BALANCES</b>				
Nonspendable	12,623	-	-	12,623
Restricted	80,185	-	262,463	342,648
Committed	137,724	-	309,377	447,101
Assigned	228,582	-	-	228,582
Unassigned	416,420	-	(1,843)	414,577
Total Fund Balances	<u>875,534</u>	<u>-</u>	<u>569,997</u>	<u>1,445,531</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 2,754,459</u>	 <u>\$ 1,152,782</u>	 <u>\$ 573,477</u>	 <u>\$ 4,480,718</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

Total Fund Balances as Shown on Previous Page	\$	1,445,531
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.		20,596,587
Long-term assets are not current financial resources; therefore, are not reported in the funds: Net pension asset		235,850
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred Outflows Related to Pensions		461,808
Deferred Inflows Related to Pensions		(557,360)
Deferred Outflows Related to Other Postemployment Benefits		19,079
Deferred Inflows Related to Other Postemployment Benefits		(12,413)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Notes Payable		(10,894,904)
Lease Liability		(145,047)
Premium on Debt		(277,850)
Net Other Postemployment Benefit		(34,482)
Accrued Interest on Long-Term Obligations		(28,352)
		(11,679,635)
Net Position of Governmental Activities as Reported on the Statement of Net Position	\$	10,808,447

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Other Governmental Funds	Totals
<b>REVENUES</b>				
Taxes	\$ 2,041,317	\$ 932,575	\$ -	\$ 2,973,892
Intergovernmental	387,664	-	-	387,664
Licenses and Permits	78,424	-	-	78,424
Fines and Forfeits	5,388	-	-	5,388
Public Charges for Services	22,041	-	366,799	388,840
Intergovernmental Charges for Services	7,229	-	-	7,229
Miscellaneous	178,433	-	746	179,179
Total Revenues	<u>2,720,496</u>	<u>932,575</u>	<u>367,545</u>	<u>4,020,616</u>
<b>EXPENDITURES</b>				
Current:				
General Government	642,703	-	-	642,703
Public Safety	468,822	-	-	468,822
Public Works	413,575	-	-	413,575
Health and Human Services	3,368	-	-	3,368
Culture and Recreation	171,665	-	-	171,665
Conservation and Development	228,359	-	24,087	252,446
Debt Service:				
Principal	44,594	750,353	-	794,947
Interest and Fiscal Charges	4,239	216,776	-	221,015
Capital Outlay	912,342	-	337,499	1,249,841
Total Expenditures	<u>2,889,667</u>	<u>967,129</u>	<u>361,586</u>	<u>4,218,382</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(169,171)	(34,554)	5,959	(197,766)
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases Issued	219,092	-	65,702	284,794
Proceeds from Sale of Capital Assets	23,571	-	-	23,571
Transfers In	20,000	34,554	-	54,554
Transfers Out	(34,554)	-	-	(34,554)
Total Other Financing Sources (Uses)	<u>228,109</u>	<u>34,554</u>	<u>65,702</u>	<u>328,365</u>
<b>NET CHANGE IN FUND BALANCES</b>	58,938	-	71,661	130,599
Fund Balances - Beginning of Year	<u>816,596</u>	<u>-</u>	<u>498,336</u>	<u>1,314,932</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 875,534</u>	<u>\$ -</u>	<u>\$ 569,997</u>	<u>\$ 1,445,531</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances as Shown on Previous Page \$ 130,599

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

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

Capital Assets Reported as Capital Outlay in Governmental Fund Statements	1,126,439
Depreciation/Amortization Expense Reported in the Statement of Activities	(644,677)
Net Book Value of Disposals	(3,336)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of notes 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	(106,055)
Lease Liabilities Issued	(178,738)
Premium on Debt Issued	17,930
Principal Repaid	761,256
Lease Liabilities Paid	33,691

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	672
Net Pension Asset	61,396
Deferred Outflows of Resources Related to Pensions	164,167
Deferred Inflows of Resources Related to Pensions	(174,605)
Net Other Postemployment Benefits	13,539
Deferred Outflows of Resources Related to Other Postemployment Benefits	(10,875)
Deferred Inflows of Resources Related to Other Postemployment Benefits	(6,826)

Change in Net Position of Governmental Activities as Reported in the Statement of Activities	\$ 1,184,577
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**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 1,886,630	\$ 1,886,630	\$ 2,041,317	\$ 154,687
Intergovernmental	372,075	372,075	387,664	15,589
Licenses and Permits	58,380	58,380	78,424	20,044
Fines and Forfeits	-	-	5,388	5,388
Public Charges for Services	8,425	8,425	22,041	13,616
Intergovernmental Charges for Services	300	300	7,229	6,929
Miscellaneous	109,683	109,683	178,433	68,750
Total Revenues	<u>2,435,493</u>	<u>2,435,493</u>	<u>2,720,496</u>	<u>285,003</u>
<b>EXPENDITURES</b>				
Current::				
General Government	625,799	625,799	642,703	(16,904)
Public Safety	546,979	546,979	468,822	78,157
Public Works	639,504	639,504	413,575	225,929
Health and Human Services	5,640	5,640	3,368	2,272
Culture and Recreation	150,010	150,010	171,665	(21,655)
Conservation and Development	168,617	168,617	228,359	(59,742)
Debt Service:				
Principal	-	-	44,594	(44,594)
Interest and Fiscal Charges	-	-	4,239	(4,239)
Capital Outlay	470,757	470,757	912,342	(441,585)
Total Expenditures	<u>2,607,306</u>	<u>2,607,306</u>	<u>2,889,667</u>	<u>(282,361)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(171,813)	(171,813)	(169,171)	2,642
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases Issued	-	-	219,092	219,092
Proceeds from Sale of Capital Assets	-	-	23,571	23,571
Transfers In	-	-	20,000	20,000
Transfers Out	-	-	(34,554)	(34,554)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>228,109</u>	<u>228,109</u>
<b>NET CHANGE IN FUND BALANCE</b>	(171,813)	(171,813)	58,938	230,751
Fund Balance - Beginning of Year	816,596	816,596	816,596	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 644,783</u>	<u>\$ 644,783</u>	<u>\$ 875,534</u>	<u>\$ 230,751</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
DECEMBER 31, 2022**

	Dock
<b>ASSETS</b>	
Current Assets:	
Cash and Investments	\$ 248,559
Inventory	46,143
Total Current Assets	294,702
Other Assets:	
Net Pension Asset	6,057
Capital Assets:	
Depreciated and Amortized, Net	440,693
Total Assets	741,452
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Related Amounts	13,662
Other Postemployment Related Amounts	490
Total Deferred Outflows of Resources	14,152
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	3,900
Special Deposits	42,515
Total Current Liabilities	46,415
Long-Term Obligations:	
Other Postemployment Benefits	886
Total Liabilities	47,301
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related Amounts	14,314
Other Postemployment Related Amounts	319
Total Deferred Inflows of Resources	14,633
<b>NET POSITION</b>	
Investment in Capital Assets	440,693
Restricted	6,057
Unrestricted	246,920
Total Net Position	\$ 693,670

See accompanying Notes to Basic Financial Statements.



**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2022**

	Dock
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 610,347
<b>OPERATING EXPENSES</b>	
Operation	393,298
Repairs and Maintenance	19,147
Administration and General	55,702
Depreciation	34,666
Total Operating Expenses	502,813
<b>OPERATING INCOME</b>	107,534
Transfers Out	(20,000)
<b>CHANGE IN NET POSITION</b>	87,534
Net Position - Beginning of Year	606,136
<b>NET POSITION - END OF YEAR</b>	\$ 693,670

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2022**

	Dock
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 610,347
Cash Paid for Employee Wages and Benefits	(129,368)
Cash Paid to Suppliers	(358,081)
Net Cash Provided by Operating Activities	122,898
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Waiting List Deposits Collected	7,315
Transfer In (Out)	(20,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(12,685)
<b>CHANGE IN CASH AND INVESTMENTS</b>	110,213
Cash and Investments - Beginning of Year	138,346
<b>CASH AND INVESTMENTS - END OF YEAR</b>	\$ 248,559
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 107,534
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	34,666
Change In Liability (Asset) and Deferred Outflows and Inflows of Resources	
Net Pension Asset	(6,057)
Deferred Outflows - Pension Related	(13,662)
Deferred Inflows - Pension Related	14,314
Other Postemployment Benefits	
Other Postemployment Liability	886
Deferred Outflows - Other Postemployment Related	(490)
Deferred Inflows - Other Postemployment Related	319
Change in Operating Assets and Liabilities	
Prepaid Supplies and Prepaid Items	(17,515)
Accounts Payable	2,903
Net Cash Provided by Operating Activities	\$ 122,898

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2022**

	Custodial Fund
<b>ASSETS</b>	
Cash and Investments	\$ 2,487,052
Receivables:	
Taxes and Special Charges	4,489,202
Total Assets	6,976,254
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes Levied for Subsequent Year	6,976,254
 <b>NET POSITION</b>	
Fiduciary Net Position - Held for Others	\$ -

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUND  
YEAR ENDED DECEMBER 31, 2022**

	Custodial Fund
<b>ADDITIONS</b>	
Taxes and Special Charges Collected	\$ 6,991,736
<b>DEDUCTIONS</b>	
Payments to Other Taxing Districts	6,991,736
<b>CHANGE IN FIDUCIARY NET POSITION</b>	-
Net Position - Beginning of Year	-
<b>NET POSITION - END OF YEAR</b>	\$ -

*See accompanying Notes to Basic Financial Statements.*

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

**B. Joint Venture**

The Town is a participant with the Village of Ephraim in a joint venture to operate the Ephraim-Gibraltar Airport. The Ephraim-Gibraltar Airport Commission (EGAC) was created for that purpose. The EGAC is governed by a six-member board composed of three appointees from each municipality. Both municipalities are obligated by agreement to share equally in providing the local funds necessary for the operation and improvement of the airport. The EGAC does not issue separate financial statements.

**C. Jointly Governed Organization**

The Town 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 a 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 2022, the Town recorded \$424,531 of room tax revenue from the Tourism Zone. Complete financial information for the Door County Tourism Zone Commission can be obtained from their office in Sister Bay, Wisconsin.

**D. Related Organization**

The Town Board is responsible for appointing the members to the Fish Creek Sanitary District, but the Town's accountability for this organization does not extend beyond making the appointments. Therefore this organization is not included in the Town's reporting entity.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. 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 Town. 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 and proprietary funds. Governmental funds include general, debt service and capital project funds. Proprietary funds include enterprise funds. The Town has no internal service funds. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

General Fund

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

Debt Service

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

The Town reports the following major enterprise fund:

Dock Fund

This fund is used to account for the operation of the Town's marina activities.

The Town also reports the following fiduciary fund:

Custodial Fund

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

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Measurement Focus and Basis of Accounting**

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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 Town's proprietary fund is 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 Town's policy to use restricted resources first, then unrestricted resources, as they are needed.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. 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.

**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 Town 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 Town. Special charges not paid by January 31 are held in trust by the County and remitted to the Town, including interest, when collected by the County.

The Town bills its own property taxes and also levies taxes for the Gibraltar School District, Door County, and Northeast Wisconsin Technical College. The Town contracts with the Door County Treasurer to collect property taxes.

**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. 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.



**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**5. Prepaid Supplies**

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

Prepaid supplies 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.

**6. Capital Assets**

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

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

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

Assets	Governmental Activities	Business-Type Activities
	Years	
Land Improvements	10 - 50	10 - 15
Buildings and Improvements	10 - 50	30 - 40
Machinery and Equipment	3 - 30	15 - 30
Vehicles	5 - 25	10
Infrastructure	15 - 75	20 - 50

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**7. 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.

**8. Long-Term Obligations**

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

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

**9. Leases**

Lessee

The Town is a lessee for noncancellable leases of machinery and equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**9. Leases (Continued)**

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

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

Lessor

The Town is a lessor for a noncancellable lease of a building. The Town 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.

At the commencement of a lease, the Town 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 Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**9. Leases (Continued)**

- The Town 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 Town 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.

**10. Pensions**

Wisconsin Retirement System

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.

Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The Plan, available to all Town employees, 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. Contributions to the Plan are entirely from employee voluntary contributions. The District makes no employee contributions to this Plan.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**11. 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 member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**12. 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 Town Board. These constraints can only be removed or changed by the Town Board using the same action that was used to create them.

**Assigned fund balance.** Amounts that are constrained for specific purposes by action of Town management. The Town Board has authorized itself 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.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**12. Fund Equity (Continued)**

The Town has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide 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 or amortization, 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.

**H. 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.

**I. Adoption of New Accounting Standards**

In June 2017, the GASB issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Town adopted the requirements of the guidance effective January 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 STEWARDSHIP AND COMPLIANCE**

**A. Budgets and Budgetary Accounting**

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

1. During November, Town management submits to the Town Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Town Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were 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 general fund.
4. Expenditures may not exceed appropriations provided in budget accounts maintained for each functional area of the Town. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Town Board.
5. Encumbrance accounting is not used by the Town to record commitments related to unperformed contracts for goods or services.

The Town did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2022.

**B. Deficit Fund Equity**

At December 31, 2022, the Tax Incremental District #1 (TID 1) had a deficit fund balance of \$1,843. This deficit is expected to be paid with future tax increments.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**C. Property Tax Levy Limit**

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2022 and 2023 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Town's January 1 equalized value as a result of net new construction. The actual limit for the Town for the 2022 budget was 1.12%. The actual limit for the Town for the 2023 budget was 1.56%. 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.

**D. Excess 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, 2022 as follows:

Funds	Excess Expenditures
General Fund:	
General Government:	
Legislative	\$ 2,305
Legal	46,139
Property and Liability Insurance	7,447
Public Safety:	
Building Inspection	8,748
Public Works:	
Street Lighting	226
Sanitation/Recycling	1,771
Culture and Recreation:	
Park and Pavilion	9,915
Museum	29,014
Conservation and Development:	
Planning Commission	46,615
Annual Tourism Zone	15,228
Debt Service:	
Principal	44,594
Interest and Fiscal Charges	4,239
Capital Outlay:	
Public Safety:	
Fire Equipment	10,608
Public Works:	
Equipment	242,060
Cottage Row Road Project	191,411

Any excess expenditures over budget appropriations within accounts were funded by positive variances of the general fund or by available fund balances within governmental funds.



**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The Town 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.

The carrying amount of the Town's cash and investments totaled \$5,072,201 on December 31, 2022 as summarized below:

Deposits with Financial Institutions	\$	5,065,457
Investments:		
Mutual Funds		6,744
Total		<u><u>\$ 5,072,201</u></u>

Reconciliation to the Basic Financial Statements:

Government-Wide Statement of Net Position:

Governmental Activities:		
Cash and Investments	\$	1,755,582
Restricted Cash and Investments		581,008
Business Activities:		
Cash and Investments		248,559

Fiduciary Fund Statement of Net Position:

Custodial Fund		2,487,052
Total		<u><u>\$ 5,072,201</u></u>

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

Fair Value Measurements (Continued)

The Town 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 Town has the following fair value measurements as of December 31, 2022:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
Mutual Funds	\$ 6,744	\$ -	\$ -

Deposits and investments of the Town are subject to various risks. Presented below is a discussion of the Town'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 Town does not have an additional custodial credit policy.

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

As of December 31, 2022, \$3,524,134 of the Town's deposits with financial institutions were in excess of federal and state depository insurance limits. \$2,487,052 were tax collections which were remitted to other taxing districts by January 15, 2023. No amounts were collateralized.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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

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. 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
Mutual Funds	\$ 6,744	\$ -	\$ -	\$ -	\$ 6,744

Concentration of Credit Risk

At December 31, 2022, the Town had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Town investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Town does not have an interest rate risk policy. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town'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
Mutual Funds	\$ 6,744	\$ 6,744	\$ -	\$ -	\$ -

**B. Restricted Assets**

Restricted assets on December 31, 2022 totaled \$581,008 and consisted of cash and investments held for the following purposes:

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

**B. Restricted Assets (Continued)**

Fund	Amount	Purpose
General:		
Parks	\$ 2,479	To account for park and land donations collected to finance park and land improvements
Cemetery	42,624	To account for cemetery trust funds to be used to finance cemetery expenditures
Gazebo	1,917	To account for park and land donations collected to finance gazebo in park
Holiday Lighting	10,058	To account for donations collected to finance holiday lighting
Total General Fund	<u>57,078</u>	
Debt Service	411,229	To account for 2022 advance tax collections to finance 2022 budgeted debt payments
2019 G.O. Notes:		
Note Proceeds	<u>112,701</u>	To account for unused debt proceeds to fund future capital expenditures
Total	<u><u>\$ 581,008</u></u>	

**C. Lease Receivables**

The Entity, acting as lessor, leases building space under long-term, noncancelable lease agreements. The leases expire at various dates through 2027. During the year ended December 31, 2022, the Entity recognized \$34,910 and \$4,472 in lease revenue and interest revenue, respectively, pursuant to these contracts.

**D. Capital Assets**

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

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

**D. Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Nondepreciable:				
Land	\$ 6,834,805	\$ -	\$ -	\$ 6,834,805
Construction in Progress	605,338	754,127	796,534	562,931
Total Capital Assets, Nondepreciable	7,440,143	754,127	796,534	7,397,736
Capital Assets, Being Depreciated and Amortized:				
Land Improvements	1,623,596	-	7,695	1,615,901
Buildings and Improvements	5,926,691	-	-	5,926,691
Machinery and Equipment	572,978	66,170	34,265	604,883
Machinery and Equipment - Leased Right to Use	-	180,119	-	180,119
Vehicles	1,708,463	126,023	54,020	1,780,466
Infrastructure	10,683,315	796,534	-	11,479,849
Subtotals	20,515,043	1,168,846	95,980	21,587,909
Less Accumulated Depreciation and Amortization for:				
Land Improvements	382,949	52,731	6,156	429,524
Buildings and Improvements	1,675,345	162,249	-	1,837,594
Machinery and Equipment	349,873	31,562	33,271	348,164
Machinery and Equipment - Leased Right to Use	-	30,345	-	30,345
Vehicles	1,090,781	94,036	53,217	1,131,600
Infrastructure	4,338,077	273,754	-	4,611,831
Subtotals	7,837,025	644,677	92,644	8,389,058
Total Capital Assets, Being Depreciated and Amortized, Net	12,678,018	524,169	3,336	13,198,851
Governmental Activities Capital Assets, Net	<u>\$ 20,118,161</u>	<u>\$ 1,278,296</u>	<u>\$ 799,870</u>	20,596,587
Less: Capital and Lease Related Debt, less unexpended debt proceeds				10,928,887
Less: Debt Premium				277,850
Net Investment in Capital Assets				<u>\$ 9,389,850</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated and Amortized:				
Land Improvements	\$ 119,722	\$ -	\$ -	\$ 119,722
Buildings and Improvements	320,506	-	-	320,506
Machinery and Equipment	151,358	-	-	151,358
Vehicles	1,800	-	-	1,800
Infrastructure	480,017	-	-	480,017
Subtotals	1,073,403	-	-	1,073,403
Less Accumulated Depreciation and Amortization for:				
Land Improvements	56,625	8,386	-	65,011
Buildings and Improvements	171,728	9,017	-	180,745
Machinery and Equipment	105,209	7,100	-	112,309
Vehicles	1,800	-	-	1,800
Infrastructure	262,682	10,163	-	272,845
Subtotals	598,044	34,666	-	632,710
Business-Type Activities Capital Assets, Net	<u>\$ 475,359</u>	<u>\$ (34,666)</u>	<u>\$ -</u>	<u>\$ 440,693</u>

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**C. Capital Assets (Continued)**

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

Governmental Activities:	
General Government	\$ 41,544
Public Safety	126,143
Public Works	343,182
Health and Human Services	100
Culture and Recreation	133,708
Total Depreciation/Amortization Expense	<u>\$ 644,677</u>
Business-Type Activities:	
Marina Fund	<u>\$ 34,666</u>

**D. Interfund Transfers**

Interfund transfers for the year ended December 31, 2022 were as follows:

Fund	Transfer In	Transfer Out
General	\$ 20,000	\$ 34,554
Debt Service	34,554	-
Marina Fund	-	20,000
Totals	<u>\$ 54,554</u>	<u>\$ 54,554</u>
Governmental Activities	\$ 54,554	\$ 34,554
Business-Type Activities	-	20,000
Totals	<u>\$ 54,554</u>	<u>\$ 54,554</u>

Interfund transfers were recorded for the following purposes:

Transfers from General Fund for Debt Service Deficit	<u>\$ 34,554</u>
Transfer from Marina to General fund for Repayment of Dock Purchases	<u>\$ 20,000</u>

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
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**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations**

The following is a summary of changes in long-term obligations of the Town for the year ended December 31, 2022:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Debt:					
Bonds	\$ 7,170,000	\$ -	\$ 390,000	\$ 6,780,000	\$ 395,000
Notes from Direct Borrowings	880,105	65,702	360,353	585,454	336,339
State Trust Fund Loans	3,500,000	-	-	3,500,000	323,162
Total General Obligation Debt	11,550,105	65,702	750,353	10,865,454	1,054,501
Debt Premium	295,780	-	17,930	277,850	-
Direct Borrowing:					
Financed Purchase Contract	-	40,353	10,903	29,450	9,302
Lease Liability	-	178,738	33,691	145,047	34,338
Governmental Activities Long-Term Obligations	<u>\$ 11,845,885</u>	<u>\$ 284,793</u>	<u>\$ 812,877</u>	<u>\$ 11,317,801</u>	<u>\$ 1,098,141</u>

The Town's outstanding notes from direct borrowings of \$585,454 contain a provision that in an event of default, outstanding amounts shall at the option of the lender, without notice, mature and become immediately payable.

The Town's outstanding state trust fund loan from direct borrowing of \$3,500,000 contains a provision that in an event of default, the Board of Commissioners of Public Lands may use any remedies available under the law and is required under Wisconsin Statute Section 24.70(6) to intercept any state payments that may be otherwise due by the Borrower.

Total interest paid during the year on long-term debt totaled \$221,015.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Notes from Direct Borrowings	11/24/14	12/31/24	2.30%	\$ 2,494,100	\$ 519,752
General Obligation Refunding Bonds	12/19/19	6/1/38	2.0 - 4.0%	7,915,000	6,780,000
State Trust Fund Loan - Direct Borrowing	12/20/21	3/15/31	3.00%	3,500,000	3,500,000
Notes from Direct Borrowings	7/25/22	10/31/23	3.09%	65,702	65,702
Total Outstanding General Obligation Debt					<u>\$ 10,865,454</u>

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**E. Long-Term Obligations (Continued)**

Annual principal and interest maturities of the outstanding general obligation debt of \$10,865,454 on December 31, 2022 are detailed below:

Year Ended December 31,	Governmental Activities					
	G.O. Refunding Bonds		Notes from Direct Borrowings		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 395,000	\$ 198,575	\$ 659,501	\$ 140,717	\$ 1,054,501	\$ 339,292
2024	425,000	182,875	606,162	98,445	1,031,162	281,320
2025	365,000	166,475	368,020	84,564	733,020	251,039
2026	385,000	150,675	379,061	73,553	764,061	224,228
2027	400,000	135,675	390,433	62,181	790,433	197,856
2028 - 2032	2,170,000	471,025	1,682,277	128,180	3,852,277	599,205
2033 - 2037	2,280,000	220,047	-	-	2,280,000	220,047
2038	360,000	17,041	-	-	360,000	17,041
Total	<u>\$ 6,780,000</u>	<u>\$ 1,542,388</u>	<u>\$ 4,085,454</u>	<u>\$ 587,640</u>	<u>\$ 10,865,454</u>	<u>\$ 2,130,028</u>

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

Annual principal and interest maturities of the outstanding direct borrowings – financed purchase contract of \$29,450 on December 31, 2022 are detailed below:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 9,302	\$ 1,600	\$ 10,902
2024	9,808	1,095	10,903
2025	10,340	562	10,902
Total	<u>\$ 29,450</u>	<u>\$ 3,257</u>	<u>\$ 32,707</u>

**Legal Margin for New Debt**

The Town's legal margin for creation of additional general obligation debt on December 31, 2022 was \$40,786,386 as follows:

Equalized Valuation of the Town	\$ 1,033,036,800
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, Per Section 67.03	<u>51,651,840</u>
Total Outstanding General Obligation Debt	<u>10,865,454</u>
Legal Margin for New Debt	<u>\$ 40,786,386</u>

**General Obligation Debt Limit Policy**

The Town debt policy states that the Town's goal is to maintain a level of debt not to exceed 50% of the legal debt limitation per State Statutes. The Town's debt limit per its policy is calculated as follows:



**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**E. Long-Term Obligations (Continued)**

General Obligation Debt Limit Policy (Continued)

General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	\$ 51,651,840
Town's Debt Limit %	(x) 50%
Town's Debt Limit Amount	<u>\$ 25,825,920</u>

The Town's net outstanding general obligation debt at December 31, 2022 is \$10,865,454. The Town is in compliance with its debt limit policy.

Leases Payable

The Town leases various pieces of machinery and equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027.

Total principal and interest costs for such leases for governmental funds were \$48,833 for the year ended December 31, 2022. The future minimum lease payments for these agreements are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 34,338	\$ 3,591	\$ 37,929
2024	35,370	2,558	37,928
2025	36,434	1,495	37,929
2026	37,530	399	37,929
2027	1,375	5	1,380
Total Minimum Payments Required	<u>\$ 145,047</u>	<u>\$ 8,048</u>	<u>\$ 153,095</u>

**F. Pension Plan**

**1. Plan Description**

The Wisconsin Retirement System (WRS) is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

**1. Plan Description**

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at <http://etf.wi.gov/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 a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

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

**F. Pension Plan (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 Ending December 31,</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13

**3. Contributions**

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

For the year ended December 31, 2022, the WRS recognized \$35,976 in contributions from the Town.

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NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**F. Pension Plan (Continued)**

**3. Contributions (Continued)**

Contribution rates for the reporting period are:

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

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

At December 31, 2022, the Town reported an asset of \$241,907 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the Town's proportion was 0.00300126%, which was an increase of 0.00020692% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Town recognized pension revenue of \$20,398.

At December 31, 2022, the Town 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	\$ 390,787	\$ 28,180
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	541,165
Changes in Assumptions	45,131	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	3,576	2,329
Employer Contributions Subsequent to the Measurement Date	35,976	-
Total	<u>\$ 475,470</u>	<u>\$ 571,674</u>

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

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

\$35,976 reported as deferred outflows related to pension resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2023	\$ (10,513)
2024	(64,784)
2025	(28,847)
2026	(28,036)
Total	\$ (132,180)

**5. Actuarial Assumptions**

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
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.*

**TOWN OF GIBRALTAR  
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**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (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, 2021. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 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:

	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Core Fund Asset Class:			
Global Equities	52%	6.8%	4.2%
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Cash	<u>(15)</u>	.9	N/A
Total Core Fund	<u><u>100</u></u>	6.6	4.0
Variable Fund Asset Class:			
U.S. Equities	70	6.6	4.1
International Equities	<u>30</u>	7.4	4.9
Total Variable Fund	<u><u>100</u></u>	7.1	4.6

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 leverage is used, subject to an allowable range of up to 20%.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**F. Pension Plan (Continued)**

**5. Actuarial Assumptions (Continued)**

**Single Discount Rate.** A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 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 member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Town’s proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the Town’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8%, as well as what the Town’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 (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ 171,650	\$ (241,907)	\$ (539,591)

**Pension plan fiduciary net position.** Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

**6. Payables to the Pension Plan**

At December 31, 2022, the Town reported a payable of \$8,162 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**G. Other Postemployment Benefits**

**1. 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.

**2. OPEB Plan Fiduciary Net Position**

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

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

**3. Benefits Provided**

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

**4. Contributions**

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

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

Contribution rates as of December 31, 2022 are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement Coverage	20% of Employee Contribution



**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**G. Other Postemployment Benefits (Continued)**

**4. Contributions (Continued)**

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, 2021 are listed below:

Life Insurance Member Contribution Rates for the Year Ended December 31, 2021		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

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

For the year ended December 31, 2022, the LRLIF recognized \$137 in contributions from the employer.

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

At December 31, 2022, the Town reported a liability of \$35,368 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The Town's proportion of the net OPEB liability was based on the Town's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the Town's proportion was 0.00598400%, which was a decrease of 0.00274600% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Town recognized OPEB expense of \$4,997.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**G. Other Postemployment Benefits (Continued)**

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

At December 31, 2022, the Town 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	\$ -	\$ 1,799
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	459	-
Changes in Assumptions	10,685	1,714
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	8,425	9,219
Employer Contributions Subsequent to the Measurement Date	-	-
Total	\$ 19,569	\$ 12,732

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

Year Ended December 31,	Expense
2023	\$ 2,335
2024	2,282
2025	1,935
2026	1,764
2027	(28)
Thereafter	(1,451)
Total	\$ 6,837

**Actuarial assumptions.** The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**G. Other Postemployment Benefits (Continued)**

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

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset):	December 31, 2021
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:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
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. Based on this experience study, actuarial assumptions used to measure the total OPEB liability changed from the prior year, including the price inflation, mortality and separation rates. The Total OPEB Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 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:

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**G. Other Postemployment Benefits (Continued)**

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

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return %</u>
U.S. Intermediate Bonds	Bloomberg US Interim Credit	45%	1.68%
U.S. Long Credit Bonds	Bloomberg US Long Credit	5%	1.82%
U.S. Mortgages	Bloomberg US MBS	50%	1.94%
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 increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

**Single discount rate.** A single discount rate of 2.17% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projected 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.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**G. Other Postemployment Benefits (Continued)**

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

**Sensitivity of the Town's proportionate share of net OPEB liability to changes in the discount rate.** The following presents the Town's proportionate share of the net OPEB liability calculated using the discount rate of 2.17%, as well as what the Town's proportionate share of the Net OPEB Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
Town's Proportionate Share of the Net OPEB Liability	\$ 47,981	\$ 35,368	\$ 25,877

**Payable to the OPEB Plan**

At December 31, 2022, the Town reported a payable of \$348 for the outstanding amount of contribution to the Plan required for the year ended December 31, 2021.

**H. Fund Equity**

**1. 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, 2022, nonspendable fund balance was as follows:

General Fund:	
Nonspendable:	
Delinquent Personal Property Taxes Receivable	\$ 3,119
Prepaid Insurance	9,504
Total General Fund Nonspendable	
Fund Balance	\$ 12,623

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**H. Fund Equity (Continued)**

**2. Restricted Fund Balance**

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2022, restricted fund balance was as follows:

General Fund:

Restricted for:		
Parks and Land	\$	2,479
Cemetery		42,624
Gazebo Funds		1,917
Beach Playground		12,600
Cottage Row Landscaping		5,000
Law Enforcement Equipment		5,507
Holiday Lighting		<u>10,058</u>
Total General Fund Restricted		
Fund Balance		80,185

Transportation Utility Fund:

Restricted for:		
Transportation Utility:		<u>151,399</u>

2019 G.O. Notes Fund:

Restricted for:		
Capital Expenditures		<u>111,064</u>

Total Restricted Fund Balance	\$	<u><u>342,648</u></u>
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**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**H. Fund Equity (Continued)**

**3. Committed Fund Balance**

In the fund financial statements, portions of government fund balances are committed by Town Board action. At December 31, 2022, General Fund balance was committed as follows:

General Fund:	
Committed for:	
Coastal Byways	\$ 1,407
Airport Capital Improvements	29,560
Debt Repayment	<u>106,757</u>
Total General Fund Committed	
Fund Balance	<u><u>\$ 137,724</u></u>
Capital Projects Fund:	
Committed for:	
Capital Projects	<u>\$ 309,377</u>
Total Committed Fund Balance	<u><u>\$ 447,101</u></u>

**4. Assigned Fund Balance**

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2022, \$228,582 was assigned for subsequent year's budget.

**5. Minimum General Fund Balance Policy**

The Town has also adopted a minimum fund balance policy of 16% of subsequent year budgeted general fund expenditures, not including debt service and capital outlay funded by debt. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

2023 General Fund Budgeted Operating Expenditures	\$ 2,602,625
Minimum Fund Balance %	<u>(x) 16%</u>
Minimum Fund Balance Amount	<u><u>\$ 416,420</u></u>

The Town's unassigned general fund balance of \$416,420 meets the minimum fund balance policy.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The Town 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 Town completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years.

**B. Contingencies**

From time to time, the Town 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 Town's financial position or results of operations.



**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
WISCONSIN RETIREMENT SYSTEM  
LAST 10 MEASUREMENT PERIODS**

Fiscal 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	0.00143499%	\$ (35,247)	\$ 211,162	16.69%	102.74%
12/31/15	0.00147500%	23,968	206,591	11.60%	98.20%
12/31/16	0.00162598%	13,402	269,342	4.98%	99.12%
12/31/17	0.00178361%	(52,957)	270,038	19.61%	102.93%
12/31/18	0.00211977%	75,414	339,065	22.24%	96.45%
12/31/19	0.00239685%	(77,285)	381,467	-22.26%	102.96%
12/31/20	0.00279434%	174,454	427,047	40.85%	105.26%
12/31/21	0.00300126%	241,907	433,068	55.86%	106.02%

**SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM  
LAST 10 MEASUREMENT PERIODS**

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	\$ 14,048	\$ 14,048	\$ -	\$ 206,591	6.80%
12/31/16	18,322	18,322	-	269,342	6.80%
12/31/17	19,888	19,888	-	270,038	7.36%
12/31/18	25,253	25,253	-	339,065	7.45%
12/31/19	29,052	29,052	-	381,467	7.62%
12/31/20	34,185	34,185	-	427,047	8.62%
12/31/21	35,994	35,994	-	433,068	8.31%
12/31/22	35,976	35,976	-	553,474	6.50%

See accompanying Notes to Required Supplementary Information.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
SCHEDULE OF PROPORTIONATE SHARE OF THE OPEB LIABILITY (ASSET)  
LOCAL RETIREE LIFE INSURANCE FUND  
LAST 10 MEASUREMENT PERIODS**

Plan Fiscal Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered- Employee Payroll (plan year)	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.00459100%	\$ 13,812	\$ 270,038	5.11%	44.81%
12/31/18	0.00565600%	14,594	301,000	4.85%	48.69%
12/31/19	0.00730900%	31,123	332,000	9.37%	37.58%
12/31/20	0.00873000%	48,021	280,000	17.15%	31.36%
12/31/21	0.00598400%	35,368	361,000	9.80%	29.57%

**SCHEDULE OF CONTRIBUTIONS – LOCAL RETIREE LIFE INSURANCE FUND  
LAST 10 MEASUREMENT PERIODS**

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	\$ 108	\$ 108	-	\$ 301,000	0.04%
12/31/19	132	132	-	381,468	0.03%
12/31/20	160	160	-	427,047	0.04%
12/31/21	127	127	-	433,068	0.03%
12/31/22	137	137	-	553,474	0.02%

See accompanying Notes to Required Supplementary Information.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2022**

**NOTE 1 WISCONSIN RETIREMENT SYSTEM**

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

Changes of assumptions:

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

- Lowering the long-term expected rate 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 post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

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 post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

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

**NOTE 2 LOCAL RETIREE LIFE INSURANCE FUND**

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

*Assumptions:* In addition to the rate changes detailed in the tables above, 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 the December 31, 2021 total OPEB liabilities, including the following:

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2022**

**NOTE 2 LOCAL RETIREE LIFE INSURANCE FUND (CONTINUED)**

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

The 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 transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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

## **SUPPLEMENTARY INFORMATION**

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>Taxes:</b>				
General Property	\$ 1,606,630	\$ 1,606,630	\$ 1,606,630	\$ -
Managed Forest Land	10,000	10,000	10,156	156
Room Tax	270,000	270,000	424,531	154,531
Total Taxes	<u>1,886,630</u>	<u>1,886,630</u>	<u>2,041,317</u>	<u>154,687</u>
<b>Intergovernmental:</b>				
Federal:				
Fire Department	54,375	54,375	109,920	55,545
State:				
State Shared Taxes	21,577	21,577	21,578	1
Exempt Computer Aid	350	350	328	(22)
Forest Crop Severance/Yield Withdrawal	-	-	415	415
Fire Insurance Tax	22,000	22,000	28,090	6,090
Transportation	220,400	220,400	200,398	(20,002)
Municipal Service Aid	1,900	1,900	1,763	(137)
DNR in Lieu of Taxes	4,000	4,000	13,971	9,971
Police Training	160	160	160	-
Recycling Grant	1,000	1,000	1,471	471
Other Grants	46,313	46,313	9,570	(36,743)
Total Intergovernmental	<u>372,075</u>	<u>372,075</u>	<u>387,664</u>	<u>15,589</u>
<b>Licenses and Permits:</b>				
Licenses:				
Liquor and Malt Beverage	10,000	10,000	10,437	437
Cable TV Franchise Fee	9,000	9,000	10,322	1,322
Other Licenses and Permits	11,880	11,880	23,119	11,239
Inspection Fees	27,500	27,500	34,546	7,046
Total Licenses and Permits	<u>58,380</u>	<u>58,380</u>	<u>78,424</u>	<u>20,044</u>
<b>Fines and Forfeits:</b>				
Court Fines and Penalties	-	-	5,388	5,388
<b>Public Charges for Services:</b>				
General Government	3,325	3,325	3,850	525
Roads	-	-	671	671
Cemetery	5,000	5,000	17,500	12,500
Miscellaneous	100	100	20	(80)
Total Public Charges for Services	<u>8,425</u>	<u>8,425</u>	<u>22,041</u>	<u>13,616</u>

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES  
GENERAL FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Intergovernmental Charges for Services:				
Fire and Ems Services	\$ 300	\$ 300	\$ 575	\$ 275
Airport	-	-	6,654	6,654
Total Intergovernmental Charges for Services	300	300	7,229	6,929
Miscellaneous:				
Interest on Investments	1,500	1,500	8,620	7,120
Lease Revenue of Town Property	40,260	40,260	41,622	1,362
Insurance Claims and Refunds	-	-	37,669	37,669
Donations	28,000	28,000	64,964	36,964
Blossomberg Trust Income	30	30	(868)	(898)
Other	39,893	39,893	26,426	(13,467)
Total Miscellaneous	109,683	109,683	178,433	68,750
 Total Revenues	 \$ 2,435,493	 \$ 2,435,493	 \$ 2,720,496	 \$ 285,003



**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES  
GENERAL FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
General Government::				
Legislative	\$ 44,800	\$ 44,800	\$ 47,105	\$ (2,305)
Legal	51,000	51,000	97,139	(46,139)
General Administration	328,199	328,199	306,517	21,682
Elections	11,500	11,500	5,802	5,698
Advertising	6,000	6,000	4,185	1,815
Accounting	14,000	14,000	12,500	1,500
Assessment of Property	65,500	65,500	63,000	2,500
Community Center	42,800	42,800	37,008	5,792
Property and Liability Insurance	62,000	62,000	69,447	(7,447)
Total General Government	625,799	625,799	642,703	(16,904)
Public Safety:				
Police Department	160,555	160,555	117,148	43,407
Fire Department	318,224	318,224	275,314	42,910
First Responders	37,200	37,200	36,612	588
Building Inspection	31,000	31,000	39,748	(8,748)
Total Public Safety	546,979	546,979	468,822	78,157
Public Works:				
Salaries and Benefits	240,154	240,154	216,023	24,131
Road Maintenance - Contracted	263,750	263,750	98,678	165,072
Sidewalks	3,800	3,800	3,483	317
Town Shop and Equipment	112,600	112,600	74,194	38,406
Street Lighting	2,000	2,000	2,226	(226)
Sanitation/Recycling	17,200	17,200	18,971	(1,771)
Total Public Works	639,504	639,504	413,575	225,929
Health and Human Services:				
Cemetery	2,800	2,800	1,346	1,454
Watershed Study	500	500	273	227
Animal Control	2,340	2,340	1,749	591
Total Health and Human Services	5,640	5,640	3,368	2,272
Culture and Recreation:				
Library	5,250	5,250	-	5,250
Park and Pavilion	45,910	45,910	55,825	(9,915)
Museum	38,600	38,600	67,614	(29,014)
Town Hall	36,600	36,600	30,184	6,416
Chambers Island	4,450	4,450	3,206	1,244
Bath House	19,200	19,200	14,836	4,364
Total Culture and Recreation	150,010	150,010	171,665	(21,655)

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES  
GENERAL FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Conservation and Development:				
Planning Commission	\$ 109,617	\$ 109,617	\$ 156,232	\$ (46,615)
Fish Creek Civic Association	30,000	30,000	27,899	2,101
Door County Coastal Byway	1,000	1,000	1,000	-
Annual Tourism Zone	28,000	28,000	43,228	(15,228)
Total Conservation and Development	<u>168,617</u>	<u>168,617</u>	<u>228,359</u>	<u>(59,742)</u>
Debt Service:				
Principal	-	-	44,594	(44,594)
Interest and Fiscal Charges	-	-	4,239	(4,239)
Total Debt Service	<u>-</u>	<u>-</u>	<u>48,833</u>	<u>(48,833)</u>
Capital Outlay:				
Public Safety:				
Police Equipment	120,757	120,757	118,263	2,494
Fire Equipment	-	-	10,608	(10,608)
Public Works:				
Equipment	-	-	242,060	(242,060)
Cottage Row Road Project	350,000	350,000	541,411	(191,411)
Total Capital Outlay	<u>470,757</u>	<u>470,757</u>	<u>912,342</u>	<u>(441,585)</u>
Total Expenditures	<u>\$ 2,607,306</u>	<u>\$ 2,607,306</u>	<u>\$ 2,889,667</u>	<u>\$ (282,361)</u>

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	Capital Project Funds				Totals
	Transportation Utility	Capital Projects	TID 1	2019 G.O. Note Proceeds	
<b>ASSETS</b>					
Cash and Investments	\$ (65,388)	\$ 309,377	\$ -	\$ -	\$ 243,989
Restricted Cash and Investments	-	-	-	112,701	112,701
Receivables:					
Accounts	216,787	-	-	-	216,787
Total Assets	<u>\$ 151,399</u>	<u>\$ 309,377</u>	<u>\$ -</u>	<u>\$ 112,701</u>	<u>\$ 573,477</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ 1,843	\$ 1,637	\$ 3,480
<b>FUND BALANCES</b>					
Restricted	151,399	-	-	111,064	262,463
Committed	-	309,377	-	-	309,377
Unassigned	-	-	(1,843)	-	(1,843)
Total Fund Balances	<u>151,399</u>	<u>309,377</u>	<u>(1,843)</u>	<u>111,064</u>	<u>569,997</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 151,399</u>	<u>\$ 309,377</u>	<u>\$ -</u>	<u>\$ 112,701</u>	<u>\$ 573,477</u>

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Capital Project Funds				Totals
	Transportation Utility	Capital Projects	TID 1	2019 G.O. Note Proceeds	
<b>REVENUES</b>					
Public Charges for Services	\$ 366,799	\$ -	\$ -	\$ -	\$ 366,799
Miscellaneous	-	746	-	-	746
Total Revenues	<u>366,799</u>	<u>746</u>	<u>-</u>	<u>-</u>	<u>367,545</u>
<b>EXPENDITURES</b>					
Current:					
Conservation and Development	-	-	24,087	-	24,087
Capital Outlay	215,400	-	43,458	78,641	337,499
Total Expenditures	<u>215,400</u>	<u>-</u>	<u>67,545</u>	<u>78,641</u>	<u>361,586</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	151,399	746	(67,545)	(78,641)	5,959
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-Term Debt Issued	-	-	65,702	-	65,702
<b>NET CHANGE IN FUND BALANCES</b>	151,399	746	(1,843)	(78,641)	71,661
Fund Balances - Beginning of Year	-	308,631	-	189,705	498,336
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 151,399</u>	<u>\$ 309,377</u>	<u>\$ (1,843)</u>	<u>\$ 111,064</u>	<u>\$ 569,997</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***

Town Board  
Town of Gibraltar  
Door County, 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 Town of Gibraltar, Door County, (the Town) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 30, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing 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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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 Town's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001 and 2022-002 that we consider to be material weaknesses.

### **Report on Compliance and Other Matters**

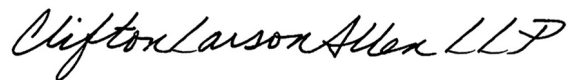
As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

### **Town of Gibraltar, Wisconsin's Response to Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
March 30, 2023

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2022**

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***Section I – Internal Control Over Financial Reporting***

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**2022-001**

**Preparation of Annual Financial Report**

**Type of Finding**

Material Weakness in Internal Control over Financial Reporting

**Condition**

Current Town staff maintains accounting records which reflect the Town's financial transactions; however, preparing the Town's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Town contracts with us and our knowledge of applicable accounting principles, financial statement formats, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. For the same reason, the Town contracts with us to compile the Wisconsin Municipal Financial Report Form. However, as independent auditors, CLA cannot be considered part of the Town's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the Town had implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.

**Criteria**

The preparation and review of the annual financial report and municipal 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, notes and other required State Financial report.

**Effect**

The Town may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

**Cause**

Town 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.

**Repeat Finding**

Yes; 2021-001

**Recommendation**

We recommend the Town 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 Town'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 Town is necessary to obtain a complete and adequate understanding of the Town's annual financial report and municipal financial report.



**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

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***Section I – Internal Control Over Financial Reporting (Continued)***

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**2022-001 (Continued)**

**Preparation of Annual Financial Report**

**Management Response**

Management believes the cost for additional staff time and training to prepare year-end financial reports outweigh the benefits to be received. Management has reviewed financial information using the knowledge obtained from various trainings and continuing education on new GASB pronouncements.

**2022-002**

**Adjustments to the Town’s Financial Records**

**Type of Finding**

Material Weakness in Internal Control over Financial Reporting.

**Condition**

As part of our audit, we proposed adjusting journal entries that were material to the District’s financial statements.

**Criteria**

Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.

**Effect**

Year-end financial records prepared by the District may contain material misstatements.

**Cause**

While Town 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.

**Repeat Finding**

Yes; 2021-002

**Recommendation**

We recommend the Town 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.

**TOWN OF GIBRALTAR  
DOOR COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

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***Section I – Internal Control Over Financial Reporting (Continued)***

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**2022-002 (Continued)**

**Adjustments to the Town's Financial Records**

**Management Response**

Management will thoroughly review the year-end adjusting and closing entries and will work with CLA to identify opportunities to reduce number and significance of year-end adjusting and closing entries.

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***Section II – Compliance and Other Matters***

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There are no findings related to compliance and other matters that are required to be reported under *Government Auditing Standards* for the year ended December 31, 2022.



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