

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023**



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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, 2023, 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 respective 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, 2023, 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.

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.

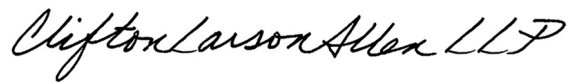
Supplementary Information

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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the 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 6, 2024, 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.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
March 6, 2024

BASIC FINANCIAL STATEMENTS

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 2,209,958	\$ 298,862	\$ 2,508,820
Receivables:			
Taxes and Special Charges	2,568,678	-	2,568,678
Delinquent Taxes	3,070	-	3,070
Accounts, Net	199,342	-	199,342
Leases	62,459	-	62,459
Other	74,430	-	74,430
Prepays and Inventory	85,540	35,273	120,813
Restricted Assets:			
Cash and Investments	4,061,336	-	4,061,336
Capital Assets, Nondepreciated	7,775,115	-	7,775,115
Capital Assets, Depreciated and Amortized, Net	12,899,026	406,027	13,305,053
Total Assets	29,938,954	740,162	30,679,116
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	636,879	27,638	664,517
Other Postemployment Related Amounts	14,656	629	15,285
Total Deferred Outflows of Resources	651,535	28,267	679,802
LIABILITIES			
Accounts Payable	398,187	601	398,788
Accrued and Other Current Liabilities	29,787	-	29,787
Accrued Interest Payable	90,592	-	90,592
Special Deposits	12,320	42,300	54,620
Long-Term Obligations:			
Due Within One Year	1,076,340	-	1,076,340
Due in More Than One Year	13,305,508	-	13,305,508
Net Pension Liability	168,254	7,218	175,472
Net Other Postemployment Benefits	22,123	949	23,072
Total Liabilities	15,103,111	51,068	15,154,179
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	2,971,090	-	2,971,090
Leases	62,459	-	62,459
Pension Related Amounts	358,396	15,375	373,771
Other Postemployment Related Amounts	22,578	969	23,547
Total Deferred Inflows of Resources	3,414,523	16,344	3,430,867
NET POSITION			
Net Investment in Capital Assets	10,199,941	406,027	10,605,968
Restricted			
Donations	104,897	-	104,897
Capital Projects	4,246,227	-	4,246,227
Unrestricted	(2,478,210)	294,990	(2,183,220)
Total Net Position	\$ 12,072,855	\$ 701,017	\$ 12,773,872

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

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
GOVERNMENTAL ACTIVITIES							
General Government	\$ 754,652	\$ 136,360	\$ 2,399	\$ -	\$ (615,893)	\$ -	\$ (615,893)
Public Safety	722,702	47,381	33,794	-	(641,527)	-	(641,527)
Public Works	987,285	341,360	232,485	-	(413,440)	-	(413,440)
Health and Human Services	4,128	13,570	-	-	9,442	-	9,442
Culture and Recreation	269,818	-	-	37,118	(232,700)	-	(232,700)
Conservation and Development	416,630	-	51,644	-	(364,986)	-	(364,986)
Interest and Fiscal Charges	306,277	-	-	-	(306,277)	-	(306,277)
Total Governmental Activities	3,461,492	538,671	320,322	37,118	(2,565,381)	-	(2,565,381)
BUSINESS-TYPE ACTIVITIES							
Marina	501,233	628,580	-	-	-	127,347	127,347
Total	\$ 3,962,725	\$ 1,167,251	\$ 320,322	\$ 37,118	(2,565,381)	127,347	(2,438,034)
GENERAL REVENUES							
Taxes:							
Property Taxes					1,631,720	-	1,631,720
Property Taxes - Debt Service					1,153,173	-	1,153,173
Other Taxes					455,815	-	455,815
Federal and State Grants and Other Contributions not Restricted to Specific Functions					172,334	-	172,334
Interest and Investment Earnings					95,272	-	95,272
Miscellaneous					201,475	-	201,475
Transfers					120,000	(120,000)	-
Total General Revenues					3,829,789	(120,000)	3,709,789
CHANGE IN NET POSITION							
					1,264,408	7,347	1,271,755
Net Position - Beginning of Year					10,808,447	693,670	11,502,117
NET POSITION - END OF YEAR							
					\$ 12,072,855	\$ 701,017	\$ 12,773,872

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
BALANCE SHEET
DECEMBER 31, 2023**

ASSETS	General	Debt Service	TID 1	Other Governmental Funds	Totals
Cash and Investments	\$ 1,285,363	\$ -	\$ -	\$ 924,595	\$ 2,209,958
Restricted Cash and Investments	56,205	-	3,964,773	40,358	4,061,336
Receivables:					
Taxes and Special Charges	1,440,076	1,118,515	10,087	-	2,568,678
Delinquent Taxes	3,070	-	-	-	3,070
Accounts	74,430	-	-	199,342	273,772
Leases	62,459	-	-	-	62,459
Due from Other Funds	51,897	-	-	-	51,897
Prepays	15,540	70,000	-	-	85,540
Total Assets	<u>\$ 2,989,040</u>	<u>\$ 1,188,515</u>	<u>\$ 3,974,860</u>	<u>\$ 1,164,295</u>	<u>\$ 9,316,710</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 259,673	\$ -	\$ 83,085	\$ 55,429	\$ 398,187
Accrued and Other Current Liabilities	29,787	-	-	-	29,787
Due to Other Funds	-	51,897	-	-	51,897
Special Deposits	12,320	-	-	-	12,320
Total Liabilities	<u>301,780</u>	<u>51,897</u>	<u>83,085</u>	<u>55,429</u>	<u>492,191</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for					
Subsequent Year	1,663,416	1,296,058	11,616	-	2,971,090
Leases	62,459	-	-	-	62,459
Total Deferred Inflows of Resources	<u>1,725,875</u>	<u>1,296,058</u>	<u>11,616</u>	<u>-</u>	<u>3,033,549</u>
FUND BALANCES					
Nonspendable	18,610	70,000	-	-	88,610
Restricted	64,539	-	3,880,159	406,426	4,351,124
Committed	441,225	-	-	702,440	1,143,665
Assigned	4,000	-	-	-	4,000
Unassigned	433,011	(229,440)	-	-	203,571
Total Fund Balances	<u>961,385</u>	<u>(159,440)</u>	<u>3,880,159</u>	<u>1,108,866</u>	<u>5,790,970</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,989,040</u>	<u>\$ 1,188,515</u>	<u>\$ 3,974,860</u>	<u>\$ 1,164,295</u>	<u>\$ 9,316,710</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, 2023**

Total Fund Balances as Shown on Previous Page	\$	5,790,970
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.		20,674,141
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		636,879
Deferred Inflows Related to Pensions		(358,396)
Deferred Outflows Related to Other Postemployment Benefits		14,656
Deferred Inflows Related to Other Postemployment Benefits		(22,578)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Notes Payable		(14,031,100)
Lease Liability		(110,710)
Premium on Debt		(240,038)
Net Pension Liability		(168,254)
Net Other Postemployment Benefit		(22,123)
Accrued Interest on Long-Term Obligations		(90,592)
		(14,638,618)
Net Position of Governmental Activities as Reported on the Statement of Net Position	\$	12,072,855

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, 2023**

	General	Debt Service	TID 1	Other Governmental Funds	Totals
REVENUES					
Taxes	\$ 2,087,535	\$ 1,153,173	\$ -	\$ -	\$ 3,240,708
Intergovernmental	441,012	-	-	-	441,012
Licenses and Permits	121,663	-	-	-	121,663
Fines and Forfeits	3,900	-	-	-	3,900
Public Charges for Services	16,390	-	-	341,360	357,750
Intergovernmental Charges for Services	138	-	-	-	138
Miscellaneous	359,335	-	21,172	6,167	386,674
Total Revenues	3,029,973	1,153,173	21,172	347,527	4,551,845
EXPENDITURES					
Current:					
General Government	710,290	-	-	2,582	712,872
Public Safety	547,716	-	-	-	547,716
Public Works	501,785	-	-	124,109	625,894
Health and Human Services	4,128	-	-	-	4,128
Culture and Recreation	139,426	-	-	-	139,426
Conservation and Development	144,836	-	4,611	-	149,447
Debt Service:					
Principal	-	989,191	65,702	-	1,054,893
Interest and Fiscal Charges	-	323,422	1,674	-	325,096
Capital Outlay	683,100	-	267,183	70,706	1,020,989
Total Expenditures	2,731,281	1,312,613	339,170	197,397	4,580,461
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	298,692	(159,440)	(317,998)	150,130	(28,616)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	4,200,000	-	4,200,000
Proceeds from Sale of Capital Assets	54,055	-	-	-	54,055
Transfers In	120,000	-	-	386,896	506,896
Transfers Out	(386,896)	-	-	-	(386,896)
Total Other Financing Sources (Uses)	(212,841)	-	4,200,000	386,896	4,374,055
NET CHANGE IN FUND BALANCES	85,851	(159,440)	3,882,002	537,026	4,345,439
Fund Balances - Beginning of Year	875,534	-	(1,843)	571,840	1,445,531
FUND BALANCES - END OF YEAR	\$ 961,385	\$ (159,440)	\$ 3,880,159	\$ 1,108,866	\$ 5,790,970

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, 2023**

Net Change in Fund Balances as Shown on Previous Page \$ 4,345,439

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	807,446
Depreciation/Amortization Expense Reported in the Statement of Activities	(710,892)
Net Book Value of Disposals	(19,000)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of 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	(4,200,000)
Principal Repaid	1,063,804
Lease Liabilities Paid	34,337

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	(62,240)
Amortization of Premiums, Discounts and Loss on Advance Refunding	37,812
Net Pension Liability	(404,104)
Deferred Outflows of Resources Related to Pensions	175,071
Deferred Inflows of Resources Related to Pensions	198,964
Net Other Postemployment Benefits	12,359
Deferred Outflows of Resources Related to Other Postemployment Benefits	(4,423)
Deferred Inflows of Resources Related to Other Postemployment Benefits	<u>(10,165)</u>

Change in Net Position of Governmental Activities as Reported in the Statement of Activities	<u><u>\$ 1,264,408</u></u>
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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, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 1,961,111	\$ 1,961,111	\$ 2,087,535	\$ 126,424
Intergovernmental	388,880	388,880	441,012	52,132
Licenses and Permits	65,218	65,218	121,663	56,445
Fines and Forfeits	-	-	3,900	3,900
Public Charges for Services	11,350	11,350	16,390	5,040
Intergovernmental Charges for Services	1,800	1,800	138	(1,662)
Miscellaneous	173,267	173,267	359,335	186,068
Total Revenues	<u>2,601,626</u>	<u>2,601,626</u>	<u>3,029,973</u>	<u>428,347</u>
EXPENDITURES				
Current:				
General Government	745,504	745,504	710,290	35,214
Public Safety	539,682	539,682	547,716	(8,034)
Public Works	600,297	600,297	501,785	98,512
Health and Human Services	5,415	5,415	4,128	1,287
Culture and Recreation	164,054	164,054	139,426	24,628
Conservation and Development	147,282	147,282	144,836	2,446
Capital Outlay	350,000	350,000	683,100	(333,100)
Total Expenditures	<u>2,552,234</u>	<u>2,552,234</u>	<u>2,731,281</u>	<u>(179,047)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	49,392	49,392	298,692	249,300
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	54,055	54,055
Transfers In	-	-	120,000	120,000
Transfers Out	(50,000)	(50,000)	(386,896)	(336,896)
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(212,841)</u>	<u>(162,841)</u>
NET CHANGE IN FUND BALANCE	(608)	(608)	85,851	86,459
Fund Balance - Beginning of Year	<u>875,534</u>	<u>875,534</u>	<u>875,534</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 874,926</u>	<u>\$ 874,926</u>	<u>\$ 961,385</u>	<u>\$ 86,459</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2023**

	Dock
ASSETS	
Current Assets:	
Cash and Investments	\$ 298,862
Inventory	35,273
Total Current Assets	334,135
Capital Assets:	
Depreciated and Amortized, Net	406,027
Total Assets	740,162
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Amounts	27,638
Other Postemployment Related Amounts	629
Total Deferred Outflows of Resources	28,267
LIABILITIES	
Current Liabilities:	
Accounts Payable	601
Special Deposits	42,300
Total Current Liabilities	42,901
Long-Term Obligations:	
Net Pension Liability	7,218
Other Postemployment Benefits	949
Total Long-Term Liabilities	8,167
Total Liabilities	51,068
DEFERRED INFLOWS OF RESOURCES	
Pension Related Amounts	15,375
Other Postemployment Related Amounts	969
Total Deferred Inflows of Resources	16,344
NET POSITION	
Investment in Capital Assets	406,027
Unrestricted	294,990
Total Net Position	\$ 701,017

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, 2023**

	Dock
OPERATING REVENUES	
Charges for Services	\$ 628,580
OPERATING EXPENSES	
Operation	397,238
Repairs and Maintenance	18,437
Administration and General	50,892
Depreciation	34,666
Total Operating Expenses	501,233
OPERATING INCOME	127,347
Transfers Out	(120,000)
CHANGE IN NET POSITION	7,347
Net Position - Beginning of Year	693,670
NET POSITION - END OF YEAR	\$ 701,017

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2023**

	Dock
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 628,580
Cash Paid for Employee Wages and Benefits	(106,844)
Cash Paid to Suppliers	(351,218)
Net Cash Provided by Operating Activities	170,518
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Waiting List Deposits Refunded	(215)
Transfer In (Out)	(120,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(120,215)
CHANGE IN CASH AND INVESTMENTS	50,303
Cash and Investments - Beginning of Year	248,559
CASH AND INVESTMENTS - END OF YEAR	\$ 298,862
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 127,347
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	(13,976)
Net Pension Liability	7,218
Deferred Inflows - Pension Related	1,061
Other Postemployment Benefits	
Other Postemployment Liability	63
Deferred Outflows - Other Postemployment Related	(139)
Deferred Inflows - Other Postemployment Related	650
Change in Operating Assets and Liabilities	
Inventory	10,870
Accounts Payable	(3,299)
Net Cash Provided by Operating Activities	\$ 170,518

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2023**

	Custodial Fund
ASSETS	
Cash and Investments	\$ 983,163
Receivables:	
Taxes and Special Charges	6,198,453
Total Assets	7,181,616
 DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	7,181,616
 NET POSITION	
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, 2023**

	Custodial Fund
ADDITIONS	
Taxes and Special Charges Collected	\$ 6,977,572
DEDUCTIONS	
Payments to Other Taxing Districts	6,977,572
CHANGE IN FIDUCIARY NET POSITION	-
Net Position - Beginning of Year	-
NET POSITION - END OF YEAR	\$ -

See accompanying Notes to Basic Financial Statements.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 2023, the Town recorded \$445,466 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, 2023**

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.

TID 1

This TID 1 fund accounts for the acquisition and construction of a sewer interceptor with the Fish Creek Sanitary District #1.

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.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Measurement Focus and Basis of Accounting (Continued)

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.

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. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes and Special Charges/Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against 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 party 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.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

5. Inventory and Prepaids

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

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:

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Capital Assets (Continued)

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

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.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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)

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.

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.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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)

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.

- 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

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

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

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

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Pensions (Continued)

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.

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). 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.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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)

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.

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.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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's total General Fund expenditures for the year ended December 31, 2023 exceeded budget by \$179,047.

B. Deficit Fund Equity

At December 31, 2023, the Debt Service Fund had a deficit fund balance of \$159,440. This deficit is expected to be paid with future tax levies.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 2023 and 2024 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 2023 budget was 1.558%. The actual limit for the Town for the 2024 budget was 1.304%. 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, 2023 as follows:

Funds	Excess Expenditures
General Fund:	
General Government:	
Accounting	\$ 224
Assessment of Property	6,657
Community Center	5,243
Property and Liability Insurance	7,012
Public Safety:	
Police Department	3,515
Fire Department	1,527
Building Inspection	7,224
Public Works:	
Sanitation/Recycling	658
Health and Human Services:	
Watershed Study	50
Culture and Recreation:	
Town Hall	9,339
Docks	12,037
Conservation and Development:	
Annual Tourism Zone	3,644
Capital Outlay:	
Public Safety:	
Police Equipment	6,500
Fire Equipment	40,869
Public Works:	
Equipment	23,122
Road Projects	221,008
Other	41,601

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

D. Excess Expenditures Over Budget Appropriations (Continued)

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.

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 \$7,553,319 on December 31, 2023 as summarized below:

Deposits with Financial Institutions	\$ 7,546,248
Investments:	
Mutual Funds	7,071
Total	<u>\$ 7,553,319</u>

Reconciliation to the Basic Financial Statements:

Government-Wide Statement of Net Position:

Governmental Activities:	
Cash and Investments	\$ (1,754,815)
Restricted Cash and Investments	8,026,109
Business Activities:	
Cash and Investments	298,862

Fiduciary Fund Statement of Net Position:

Custodial Fund	983,163
Total	<u>\$ 7,553,319</u>

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
Mutual Funds	\$ 7,071	\$ -	\$ -

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, 2023, \$6,457,083 of the Town's deposits with financial institutions were in excess of federal and state depository insurance limits. \$2,960,664 were tax collections which were remitted to other taxing districts by January 15, 2024. No amounts were collateralized.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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	\$ 7,071	\$ -	\$ -	\$ -	\$ 7,071

Concentration of Credit Risk

At December 31, 2023, 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	\$ 7,071	\$ 7,071	\$ -	\$ -	\$ -

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Restricted Assets

Restricted assets on December 31, 2023 totaled \$4,061,336 and consisted of cash and investments held for the following purposes:

Fund	Amount	Purpose
General:		
Parks	\$ 2,700	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	8,889	To account for donations collected to finance holiday lighting
Total General Fund	<u>56,205</u>	
2019 G.O. Notes:		
Restricted Donations	<u>40,358</u>	To account for donations collected for future capital expenditures
TID 1:		
Note Proceeds	<u>3,964,773</u>	To account for unused debt proceeds to fund future planned TID 1 expenditures
Total	<u><u>\$ 4,061,336</u></u>	

C. Lease Receivables

The Town, 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, 2023, the Town recognized \$35,118 and \$3,150 in lease revenue and interest revenue, respectively, pursuant to these contracts.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 6,834,805	\$ -	\$ -	\$ 6,834,805
Construction in Progress	562,931	377,379	-	940,310
Total Capital Assets, Nondepreciable	7,397,736	377,379	-	7,775,115
Capital Assets, Being Depreciated and Amortized:				
Land Improvements	1,615,901	-	-	1,615,901
Buildings and Improvements	5,926,691	-	-	5,926,691
Machinery and Equipment	604,883	112,092	-	716,975
Machinery and Equipment - Leased Right to Use	180,119	-	-	180,119
Vehicles	1,780,466	-	454,553	1,325,913
Infrastructure	11,479,849	317,975	-	11,797,824
Subtotals	21,587,909	430,067	454,553	21,563,423
Less Accumulated Depreciation and Amortization for:				
Land Improvements	429,524	50,965	-	480,489
Buildings and Improvements	1,837,594	159,711	-	1,997,305
Machinery and Equipment	348,164	36,235	-	384,399
Machinery and Equipment - Leased Right to Use	30,345	45,030	-	75,375
Vehicles	1,131,600	106,081	435,553	802,128
Infrastructure	4,611,831	312,870	-	4,924,701
Subtotals	8,389,058	710,892	435,553	8,664,397
Total Capital Assets, Being Depreciated and Amortized, Net	13,198,851	(280,825)	19,000	12,899,026
Governmental Activities Capital Assets, Net	\$ 20,596,587	\$ 96,554	\$ 19,000	20,674,141
Less: Capital and Lease Related Debt, less unexpended debt proceeds				9,941,810
Less: Debt Premium				240,038
Less: Capital Related Accounts Payable				292,352
Net Investment in Capital Assets				\$ 10,199,941

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
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	<u>1,073,403</u>	<u>-</u>	<u>-</u>	<u>1,073,403</u>
Less Accumulated Depreciation and Amortization for:				
Land Improvements	65,011	8,386	-	73,397
Buildings and Improvements	180,745	9,017	-	189,762
Machinery and Equipment	112,309	7,100	-	119,409
Vehicles	1,800	-	-	1,800
Infrastructure	272,845	10,163	-	283,008
Subtotals	<u>632,710</u>	<u>34,666</u>	<u>-</u>	<u>667,376</u>
Business-Type Activities Capital Assets, Net	<u>\$ 440,693</u>	<u>\$ (34,666)</u>	<u>\$ -</u>	<u>\$ 406,027</u>

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

Governmental Activities:	
General Government	\$ 39,965
Public Safety	141,915
Public Works	398,620
Culture and Recreation	130,392
Total Depreciation/Amortization Expense	<u>\$ 710,892</u>
Business-Type Activities:	
Marina Fund	<u>\$ 34,666</u>

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Transfers

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

Fund	Transfer In	Transfer Out
General	\$ 120,000	\$ 386,896
Capital Projects	386,896	-
Marina Fund	-	120,000
Totals	\$ 506,896	\$ 506,896
Governmental Activities	\$ 506,896	\$ 386,896
Business-Type Activities	-	120,000
Totals	\$ 506,896	\$ 506,896

Interfund transfers were recorded for the following purposes:

Transfers from General Fund to Capital Projects for:	
Future Capital Outlay Purchases	\$ 386,896
Transfer from Marina to General fund for:	
Repayment of Dock Purchases	20,000
Repayment of Kinsey Property Purchases	100,000
Total	\$ 506,896

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 6,780,000	\$ -	\$ 395,000	\$ 6,385,000	\$ 425,000
Notes from Direct Borrowings	585,454	-	336,340	249,114	249,114
State Trust Fund Loans	3,500,000	4,200,000	323,162	7,376,838	357,048
Total General Obligation Debt	10,865,454	4,200,000	1,054,502	14,010,952	1,031,162
Debt Premium	277,850	-	37,812	240,038	-
Direct Borrowing:					
Financed Purchase Contract	29,451	-	9,303	20,148	9,808
Lease Liability	145,047	-	34,337	110,710	35,370
Governmental Activities Long-Term Obligations	<u>\$ 11,317,802</u>	<u>\$ 4,200,000</u>	<u>\$ 1,135,954</u>	<u>\$ 14,381,848</u>	<u>\$ 1,076,340</u>

The Town's outstanding notes from direct borrowings of \$249,114 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 \$7,376,838 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 \$325,192.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23
Notes from Direct Borrowings	11/24/14	12/31/24	2.30%	\$ 2,494,100	\$ 249,114
General Obligation Refunding Bonds	12/19/19	6/1/38	2.0 - 4.0%	7,915,000	6,385,000
State Trust Fund Loan - Direct Borrowing	12/20/21	3/15/31	3.00%	3,500,000	3,176,838
State Trust Fund Loan - Direct Borrowing	10/17/23	3/15/43	5.75%	4,200,000	4,200,000
Total Outstanding General Obligation Debt					<u>\$ 14,010,952</u>

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$14,010,952 on December 31, 2023 are detailed below:

Year Ended December 31,	Governmental Activities					
	G.O. Refunding Bonds		Notes from Direct Borrowings		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 425,000	\$ 166,475	\$ 606,162	\$ 98,445	\$ 1,031,162	\$ 264,920
2025	365,000	150,675	404,701	425,341	769,701	576,016
2026	385,000	135,675	517,098	312,944	902,098	448,619
2027	400,000	119,975	536,407	293,635	936,407	413,610
2028	415,000	103,675	555,763	274,278	970,763	377,953
2029 - 2033	2,220,000	366,641	2,195,175	1,049,806	4,415,175	1,416,447
2034 - 2038	2,175,000	117,822	1,210,098	677,041	3,385,098	794,863
2039 - 2043	-	-	1,600,548	286,590	1,600,548	286,590
Total	<u>\$ 6,385,000</u>	<u>\$ 1,160,938</u>	<u>\$ 7,625,952</u>	<u>\$ 3,418,080</u>	<u>\$ 14,010,952</u>	<u>\$ 4,579,018</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 \$20,148 on December 31, 2023 are detailed below:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 9,808	\$ 1,095	\$ 10,903
2025	10,340	562	10,902
Total	<u>\$ 20,148</u>	<u>\$ 1,657</u>	<u>\$ 21,805</u>

Legal Margin for New Debt

The Town's legal margin for creation of additional general obligation debt on December 31, 2023 was \$46,391,448 as follows:

Equalized Valuation of the Town	\$ 1,208,048,000
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, Per Section 67.03	<u>60,402,400</u>
Total Outstanding General Obligation Debt	<u>14,010,952</u>
Legal Margin for New Debt	<u>\$ 46,391,448</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, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

General Obligation Debt Limit Policy (Continued)

General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	\$ 60,402,400
Town's Debt Limit %	(x) 50%
Town's Debt Limit Amount	<u>\$ 30,201,200</u>

The Town's net outstanding general obligation debt at December 31, 2023 is \$14,010,952. 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 \$38,961 for the year ended December 31, 2023. The future minimum lease payments for these agreements are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 35,370	\$ 2,558	\$ 37,928
2025	36,434	1,495	37,929
2026	37,530	399	37,929
2027	1,376	5	1,381
Total Minimum Payments Required	<u>\$ 110,710</u>	<u>\$ 4,457</u>	<u>\$ 115,167</u>

G. 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
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. 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.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. 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>
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
2022	7.4	15

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, 2023, the WRS recognized \$50,504 in contributions from the Town.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. 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)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At December 31, 2023, the Town reported a liability of \$175,472 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Town's proportion of the net pension liability was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Town's proportion was 0.00331223%, which was an increase of 0.00031097% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Town recognized pension expense of \$88,563.

At December 31, 2023, 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	\$ 279,471	\$ 367,164
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	298,088	-
Changes in Assumptions	34,505	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	1,949	6,607
Employer Contributions Subsequent to the Measurement Date	50,504	-
Total	<u>\$ 664,517</u>	<u>\$ 373,771</u>

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

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

\$50,504 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2024	\$ 9,508
2025	49,253
2026	50,187
2027	131,294
Total	<u>\$ 240,242</u>

5. Actuarial Assumptions

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

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

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

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. 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, 2020. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

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

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Public Equity	48%	7.6%	5.0%
Public Fixed Income	25	5.3	2.7
Inflation Sensitive Assets	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Cash	(15)	N/A	N/A
Total Core Fund	100	7.4	4.8
Variable Fund Asset Class:			
U.S. Equities	70	6.6	4.6
International Equities	30	7.4	5.5
Total Variable Fund	100	7.1	5.1

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

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy 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, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. 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 for the current and 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 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan 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)	\$ 582,386	\$ 175,472	\$ (104,449)

6. Payables to the Pension Plan

At December 31, 2023, the Town reported a payable of \$10,423 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2023.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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, 2023 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, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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, 2022 are listed below:

Life Insurance Member Contribution Rates for the Year Ended December 31, 2022		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

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

For the year ended December 31, 2023, the LRLIF recognized \$171 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, 2023, the Town reported a liability of \$23,072 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The 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, 2022, the Town's proportion was 0.00605600%, which was an increase of 0.00007200% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Town recognized OPEB expense of \$2,929.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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, 2023, 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	\$ -	\$ 2,257
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	434	-
Changes in Assumptions	8,290	13,619
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	6,561	7,671
Total	\$ 15,285	\$ 23,547

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

Year Ended December 31,	Expense
2024	\$ 150
2025	(199)
2026	(366)
2027	(2,170)
2028	(3,641)
Thereafter	(2,036)
Total	\$ (8,262)

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

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

*Based on the Bond Buyers GO Index

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

Long-term expected return on plan assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto. 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, 2023**

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	50%	2.45%
U.S. Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

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

Single discount rate. A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive 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, 2023**

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 3.76%, 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 (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
Town's Proportionate Share of the Net OPEB Liability	\$ 31,457	\$ 23,072	\$ 16,647

Payable to the OPEB Plan

At December 31, 2023, the Town reported a payable of \$350 for the outstanding amount of contribution to the Plan required for the year ended December 31, 2022.

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, 2023, nonspendable fund balance was as follows:

General Fund:	
Nonspendable:	
Delinquent Personal Property Taxes Receivable	\$ 3,070
Prepaid Insurance	15,540
Total General Fund Nonspendable	
Fund Balance	18,610
Debt Service Fund:	
Nonspendable:	
Fire Truck Lease Payment	70,000
Total Nonspendable Fund Balance	\$ 88,610

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023, restricted fund balance was as follows:

General Fund:

Restricted for:	
Parks and Land	\$ 2,699
Cemetery	42,624
Gazebo Funds	1,916
Beach Playground	289
Cottage Row Landscaping	4,451
Law Enforcement Equipment	2,924
Redman Property	500
Blahnik Chambers Island	247
Holiday Lighting	<u>8,889</u>
Total General Fund Restricted	
Fund Balance	64,539

Transportation Utility Fund:

Restricted for:	
Transportation Utility:	<u>366,068</u>

TID 1 Fund:

Restricted for:	
Capital Expenditures	<u>3,880,159</u>

2019 G.O. Notes Fund:

Restricted for:	
Capital Expenditures	<u>40,358</u>

Total Restricted Fund Balance	<u><u>\$ 4,351,124</u></u>
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**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023, General Fund balance was committed as follows:

General Fund:

Committed for:

Coastal Byways	\$	1,408
Airport Capital Improvements		39,560
Debt Repayment		106,757
Fire Department Generator		150,000
Chambers Island Fire Station Design		10,000
Watershed Design and Engineering		50,000
Public Works Capital Equipment		48,500
CORP Plan		20,000
Parks and Lands Capital Projects		<u>15,000</u>
Total General Fund Committed		
Fund Balance		<u>441,225</u>

Capital Projects Fund:

Committed for:

Capital Projects		<u>702,440</u>
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Total Committed Fund Balance	\$	<u><u>1,143,665</u></u>
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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, 2023, \$4,000 was assigned for subsequent year's budget.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity (Continued)

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:

2024 General Fund Budgeted Operating Expenditures	\$ 2,706,317
Minimum Fund Balance %	<u>(x) 16%</u>
Minimum Fund Balance Amount	<u><u>\$ 433,011</u></u>

The Town's unassigned general fund balance of \$433,011 meets the minimum fund balance policy.

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%
12/31/22	0.00331223%	175,472	553,473	31.70%	95.72%

**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	-	553,473	6.50%
12/31/23	50,504	50,504	-	607,537	8.31%

**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%
12/31/22	0.00605600%	23,072	415,000	5.56%	38.81%

**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%
12/31/23	171	171	-	607,537	0.03%

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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, 2023**

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, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Taxes:				
General Property	\$ 1,632,111	\$ 1,632,111	\$ 1,631,720	\$ (391)
Managed Forest Land	10,000	10,000	10,349	349
Room Tax	319,000	319,000	445,466	126,466
Total Taxes	<u>1,961,111</u>	<u>1,961,111</u>	<u>2,087,535</u>	<u>126,424</u>
Intergovernmental:				
Federal:				
Fire Department	41,904	41,904	39,967	(1,937)
State:				
State Shared Taxes	21,577	21,577	21,578	1
Exempt Computer Aid	328	328	328	-
Forest Crop Severance/Yield Withdrawal	-	-	415	415
Fire Insurance Tax	28,090	28,090	32,228	4,138
Transportation	248,458	248,458	250,458	2,000
Municipal Service Aid	1,763	1,763	2,399	636
DNR in Lieu of Taxes	13,900	13,900	14,880	980
Police Training	160	160	1,566	1,406
Recycling Grant	1,400	1,400	2,027	627
Other Grants	31,300	31,300	75,166	43,866
Total Intergovernmental	<u>388,880</u>	<u>388,880</u>	<u>441,012</u>	<u>52,132</u>
Licenses and Permits:				
Licenses:				
Liquor and Malt Beverage	10,000	10,000	32,645	22,645
Cable TV Franchise Fee	9,000	9,000	10,922	1,922
Other Licenses and Permits	21,218	21,218	34,753	13,535
Inspection Fees	25,000	25,000	43,343	18,343
Total Licenses and Permits	<u>65,218</u>	<u>65,218</u>	<u>121,663</u>	<u>56,445</u>
Fines and Forfeits:				
Court Fines and Penalties	-	-	3,900	3,900
Public Charges for Services:				
General Government	3,325	3,325	3,150	(175)
Cemetery	8,000	8,000	13,205	5,205
Miscellaneous	25	25	35	10
Total Public Charges for Services	<u>11,350</u>	<u>11,350</u>	<u>16,390</u>	<u>5,040</u>

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Intergovernmental Charges for Services:				
Fire and Ems Services	\$ 300	\$ 300	\$ 138	\$ (162)
Airport	1,500	1,500	-	(1,500)
Total Intergovernmental Charges for Services	1,800	1,800	138	(1,662)
Miscellaneous:				
Interest on Investments	1,500	1,500	67,930	66,430
Lease Revenue of Town Property	41,260	41,260	55,220	13,960
Insurance Claims and Refunds	-	-	28,644	28,644
Donations	48,000	48,000	160,470	112,470
Blossomberg Trust Income	-	-	3	3
Other	82,507	82,507	47,068	(35,439)
Total Miscellaneous	<u>173,267</u>	<u>173,267</u>	<u>359,335</u>	<u>186,068</u>
 Total Revenues	 <u>\$ 2,601,626</u>	 <u>\$ 2,601,626</u>	 <u>\$ 3,029,973</u>	 <u>\$ 428,347</u>

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
General Government:				
Legislative	\$ 46,925	\$ 46,925	\$ 45,209	\$ 1,716
Legal	61,200	61,200	46,822	14,378
General Administration	435,710	435,710	399,072	36,638
Elections	5,169	5,169	4,140	1,029
Advertising	6,000	6,000	5,411	589
Accounting	16,000	16,000	16,224	(224)
Assessment of Property	64,500	64,500	71,157	(6,657)
Community Center	47,000	47,000	52,243	(5,243)
Property and Liability Insurance	63,000	63,000	70,012	(7,012)
Total General Government	<u>745,504</u>	<u>745,504</u>	<u>710,290</u>	<u>35,214</u>
Public Safety:				
Police Department	164,180	164,180	167,695	(3,515)
Fire Department	308,502	308,502	310,029	(1,527)
First Responders	36,000	36,000	31,768	4,232
Building Inspection	31,000	31,000	38,224	(7,224)
Total Public Safety	<u>539,682</u>	<u>539,682</u>	<u>547,716</u>	<u>(8,034)</u>
Public Works:				
Salaries and Benefits	255,646	255,646	247,275	8,371
Road Maintenance - Contracted	200,000	200,000	137,223	62,777
Sidewalks	4,000	4,000	-	4,000
Town Shop and Equipment	122,151	122,151	99,812	22,339
Street Lighting	2,000	2,000	317	1,683
Sanitation/Recycling	16,500	16,500	17,158	(658)
Total Public Works	<u>600,297</u>	<u>600,297</u>	<u>501,785</u>	<u>98,512</u>
Health and Human Services:				
Cemetery	2,500	2,500	2,018	482
Watershed Study	500	500	550	(50)
Animal Control	2,415	2,415	1,560	855
Total Health and Human Services	<u>5,415</u>	<u>5,415</u>	<u>4,128</u>	<u>1,287</u>
Culture and Recreation:				
Library	3,300	3,300	170	3,130
Park and Pavilion	40,490	40,490	35,119	5,371
Museum	33,700	33,700	13,566	20,134
Town Hall	49,514	49,514	58,853	(9,339)
Chambers Island	9,650	9,650	3,001	6,649
Holiday Harbor	-	-	12,037	(12,037)
Bath House	27,400	27,400	16,680	10,720
Total Culture and Recreation	<u>164,054</u>	<u>164,054</u>	<u>139,426</u>	<u>24,628</u>

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Conservation and Development:				
Planning Commission	\$ 98,282	\$ 98,282	\$ 92,692	\$ 5,590
Door County Coastal Byway	1,000	1,000	500	500
Annual Tourism Zone	48,000	48,000	51,644	(3,644)
Total Conservation and Development	<u>147,282</u>	<u>147,282</u>	<u>144,836</u>	<u>2,446</u>
Capital Outlay:				
Public Safety:				
Police Equipment	-	-	6,500	(6,500)
Fire Equipment	-	-	40,869	(40,869)
Public Works:				
Equipment	-	-	23,122	(23,122)
Road Projects	350,000	350,000	571,008	(221,008)
Other	-	-	41,601	(41,601)
Total Capital Outlay	<u>350,000</u>	<u>350,000</u>	<u>683,100</u>	<u>(333,100)</u>
Total Expenditures	<u>\$ 2,552,234</u>	<u>\$ 2,552,234</u>	<u>\$ 2,731,281</u>	<u>\$ (179,047)</u>

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Capital Project Funds			Totals
	Transportation Utility	Capital Projects	2019 G.O. Note Proceeds	
ASSETS				
Cash and Investments	\$ 222,155	\$ 702,440	\$ -	\$ 924,595
Restricted Cash and Investments	-	-	40,358	40,358
Receivables:				
Accounts	199,342	-	-	199,342
Total Assets	<u>\$ 421,497</u>	<u>\$ 702,440</u>	<u>\$ 40,358</u>	<u>\$ 1,164,295</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	<u>\$ 55,429</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,429</u>
FUND BALANCES				
Restricted	366,068	-	40,358	406,426
Committed	-	702,440	-	702,440
Total Fund Balances	<u>366,068</u>	<u>702,440</u>	<u>40,358</u>	<u>1,108,866</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 421,497</u>	<u>\$ 702,440</u>	<u>\$ 40,358</u>	<u>\$ 1,164,295</u>

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Capital Project Funds			Totals
	Transportation Utility	Capital Projects	2019 G.O. Note Proceeds	
REVENUES				
Public Charges for Services	\$ 341,360	\$ -	\$ -	\$ 341,360
Miscellaneous	-	6,167	-	6,167
Total Revenues	<u>341,360</u>	<u>6,167</u>	<u>-</u>	<u>347,527</u>
EXPENDITURES				
Current:				
General Government	2,582	-	-	2,582
Public Works	124,109	-	-	124,109
Debt Service:				
Capital Outlay	-	-	70,706	70,706
Total Expenditures	<u>126,691</u>	<u>-</u>	<u>70,706</u>	<u>197,397</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	214,669	6,167	(70,706)	150,130
OTHER FINANCING SOURCES (USES)				
Transfers In	-	386,896	-	386,896
NET CHANGE IN FUND BALANCES	214,669	393,063	(70,706)	537,026
Fund Balances - Beginning of Year	<u>151,399</u>	<u>309,377</u>	<u>111,064</u>	<u>571,840</u>
FUND BALANCES - END OF YEAR	<u>\$ 366,068</u>	<u>\$ 702,440</u>	<u>\$ 40,358</u>	<u>\$ 1,108,866</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, 2023, 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 6, 2024.

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 were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

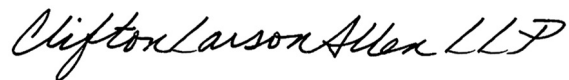
As part of obtaining reasonable assurance about whether the Town’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 6, 2024

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2023**

Internal Control Over Financial Reporting

2023-001

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. 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 and related notes.

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; 2022-001

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.

**TOWN OF GIBRALTAR
DOOR COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Internal Control Over Financial Reporting (Continued)

2023-001 (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.

2023-002

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; 2022-002

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, 2023**

Section I – Internal Control Over Financial Reporting (Continued)

2023-002 (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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