

**TOWN OF JACKSONPORT
DOOR COUNTY, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023



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DOOR COUNTY, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

Town Board
Town of Jacksonport
Door County, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the major fund, and aggregate remaining fund information of the Town of Jacksonport, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the major fund, and aggregate remaining fund information of the Town as of December 31, 2023, and the respective changes in modified cash basis financial position and the budget and actual comparison for the General Fund for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditors' Responsibility 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.

Supplementary Information


Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Town's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the financial information listed in the table of contents as supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of the accounting described in Note 1.

Report on Summarized Comparative Information

We have previously audited the Town's 2022 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information in our report dated April 10, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 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 Town's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
April 3, 2024

BASIC FINANCIAL STATEMENTS

**TOWN OF JACKSONPORT
DOOR COUNTY, WISCONSIN
STATEMENT OF NET POSITION – MODIFIED CASH BASIS
DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2022)**

	Governmental Activities	
	2023	2022
ASSETS		
Cash and Investments	\$ 1,825,366	\$ 834,061
Restricted Cash and Investments	121,852	114,282
Total Assets	<u>1,947,218</u>	<u>948,343</u>
LIABILITIES		
Accrued and Other Current Liabilities	1,587	-
Property Taxes Collected for Subsequent Year	194,096	214,077
Unearned Revenues	74,943	74,943
Total Liabilities	<u>270,626</u>	<u>289,020</u>
NET POSITION		
Restricted - Fire Department		
Fire Department Equipment and Training	121,852	114,282
Fiber Project	1,250,000	-
Unrestricted	304,740	545,041
Total Net Position	<u><u>\$ 1,676,592</u></u>	<u><u>\$ 659,323</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF JACKSONPORT
DOOR COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)**

Functions/Programs	Expenditures	Program Revenues		Net (Expenditures) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Totals	
				2023	2022
GOVERNMENTAL ACTIVITIES					
General Government	\$ 207,276	\$ 6,827	\$ 9,000	\$ (191,449)	\$ (158,218)
Public Safety	97,941	17,779	24,516	(55,646)	(58,887)
Public Works	614,385	-	129,414	(484,971)	(900,785)
Health and Human Services	6,235	2,100	-	(4,135)	(343)
Culture and Recreation	61,440	46,960	1,275	(13,205)	(15,409)
Conservation and Development	15,398	-	-	(15,398)	(14,343)
Principal and Interest on Long-Term Debt	277,290	-	-	(277,290)	(165,718)
Total Governmental Activities	\$ 1,279,965	\$ 73,666	\$ 164,205	(1,042,094)	(1,313,703)
GENERAL REVENUES					
Taxes:					
Property Taxes				672,633	667,539
Other Taxes				87,316	83,229
State Grants and Other Contributions not Restricted to Specific functions				10,870	11,115
Interest and Investment Earnings				38,309	4,247
Miscellaneous				235	13,110
Proceeds from Long-Term Debt				1,250,000	500,000
Total General Revenues				2,059,363	1,279,240
CHANGE IN NET POSITION				1,017,269	(34,463)
Net Position - Beginning of Year				659,323	693,786
NET POSITION - END OF YEAR				\$ 1,676,592	\$ 659,323

See accompanying Notes to Basic Financial Statements.

**TOWN OF JACKSONPORT
DOOR COUNTY, WISCONSIN
BALANCE SHEET – GENERAL FUND – MODIFIED CASH BASIS
DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2022)**

	2023	2022
ASSETS		
Cash and Investments	\$ 1,825,366	\$ 834,061
Restricted Cash and Investments	121,852	114,282
Total Assets	\$ 1,947,218	\$ 948,343
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accrued and Other Current Liabilities	\$ 1,587	\$ -
Property Taxes Collected for Subsequent Year	194,096	214,077
Unearned Revenues	74,943	74,943
Total Liabilities	270,626	289,020
Fund Balance:		
Restricted	1,371,852	114,282
Committed	92,102	84,465
Assigned	-	50,000
Unassigned	212,638	410,576
Total Fund Balance	1,676,592	659,323
Total Liabilities and Fund Balance	\$ 1,947,218	\$ 948,343

See accompanying Notes to Basic Financial Statements.

**TOWN OF JACKSONPORT
DOOR COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GENERAL FUND – MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)**

	<u>2023</u>	<u>2022</u>
REVENUES		
Taxes	\$ 759,949	\$ 750,768
Intergovernmental	159,550	146,450
Licenses and Permits	22,731	32,662
Public Charges for Services	50,385	54,366
Miscellaneous	54,619	41,120
Total Revenues	<u>1,047,234</u>	<u>1,025,366</u>
EXPENDITURES		
Current:		
General Government	207,276	164,241
Public Safety	97,941	113,637
Public Works	614,385	1,027,562
Health and Human Services	6,235	4,543
Culture and Recreation	60,440	68,873
Conservation and Development	15,398	14,343
Debt Service:		
Principal	197,363	111,154
Interest and Fiscal Charges	79,927	54,564
Capital Outlay	1,000	912
Total Expenditures	<u>1,279,965</u>	<u>1,559,829</u>
Excess of Revenues Under Expenditures	<u>(232,731)</u>	<u>(534,463)</u>
OTHER FINANCING SOURCES		
Long-Term Debt Issued	<u>1,250,000</u>	<u>500,000</u>
NET CHANGE IN FUND BALANCE	1,017,269	(34,463)
Fund Balance - Beginning of Year	<u>659,323</u>	<u>693,786</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,676,592</u></u>	<u><u>\$ 659,323</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF JACKSONPORT
DOOR COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND – MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)**

	Budget		Actual	Variance	2022 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes	\$ 722,871	\$ 722,871	\$ 759,949	\$ 37,078	\$ 750,768
Intergovernmental	159,368	159,368	159,550	182	146,450
Licenses and Permits	18,950	18,950	22,731	3,781	32,662
Public Charges for Services	47,200	47,200	50,385	3,185	54,366
Miscellaneous	94,392	94,392	54,619	(39,773)	41,120
Total Revenues	<u>1,042,781</u>	<u>1,042,781</u>	<u>1,047,234</u>	<u>4,453</u>	<u>1,025,366</u>
EXPENDITURES					
Current:					
General Government	239,242	239,242	207,276	31,966	164,241
Public Safety	75,685	75,685	97,941	(22,256)	113,637
Public Works	411,322	411,322	614,385	(203,063)	1,027,562
Health and Human Services	5,000	5,000	6,235	(1,235)	4,543
Culture and Recreation	48,100	48,100	60,440	(12,340)	68,873
Conservation and Development	21,000	21,000	15,398	5,602	14,343
Debt Service:					
Principal	221,632	221,632	197,363	24,269	111,154
Interest and Fiscal Charges	-	-	79,927	(79,927)	54,564
Capital Outlay	70,800	70,800	1,000	69,800	912
Total Expenditures	<u>1,092,781</u>	<u>1,092,781</u>	<u>1,279,965</u>	<u>(187,184)</u>	<u>1,559,829</u>
Excess of Revenues Under Expenditures	<u>(50,000)</u>	<u>(50,000)</u>	<u>(232,731)</u>	<u>(182,731)</u>	<u>(534,463)</u>
OTHER FINANCING SOURCES					
Long-Term Debt Issued	-	-	1,250,000	1,250,000	500,000
NET CHANGE IN FUND BALANCE	<u>(50,000)</u>	<u>(50,000)</u>	<u>1,017,269</u>	<u>1,067,269</u>	<u>(34,463)</u>
Fund Balance - Beginning of Year	<u>659,323</u>	<u>659,323</u>	<u>659,323</u>	<u>-</u>	<u>693,786</u>
FUND BALANCE - END OF YEAR	<u>\$ 609,323</u>	<u>\$ 609,323</u>	<u>\$ 1,676,592</u>	<u>\$ 1,067,269</u>	<u>\$ 659,323</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF JACKSONPORT
DOOR COUNTY, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUND
DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2022)**

	Custodial Fund	
	2023	2022
ASSETS		
Cash and Investments	\$ 1,127,684	\$ 1,233,244
LIABILITIES		
Due to Other Governments	1,127,684	1,233,244
NET POSITION		
Fiduciary Net Position - Held for Others	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

**TOWN OF JACKSONPORT
DOOR COUNTY, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)**

	Custodial Fund	
	2023	2022
ADDITIONS		
Taxes and Special Charges Collected	\$ 2,608,923	\$ 2,985,258
DEDUCTIONS		
Payments to Other Taxing Districts	2,608,923	2,985,258
CHANGE IN NET POSITION	-	-
Net Position - Beginning of Year	-	-
NET POSITION - END OF YEAR	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

**TOWN OF JACKSONPORT
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 Jacksonport, Door County, Wisconsin (the Town), have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP).

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 three-member board. In accordance with 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. 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 an 8% room tax on the gross receipts from retail furnishing of rooms or lodgings over all of the member municipalities. The Tourism Zone pays 70% of the room tax collected to Destination Door County and 30% to the member municipalities. Member municipalities fund the operations of the Tourism Zone and are expected to be reimbursed for the funding payments from Destination Door County. During 2023, the Town recorded \$77,503 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.

C. 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. *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 Town has no business-type activities.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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*.

The Town has one governmental fund and no proprietary funds.

The Town reports the following major governmental fund:

General Fund

This is the Town's primary operating fund. It accounts for all financial resources of the general government.

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.

D. Measurement Focus and Basis of Accounting

The government-wide, fiduciary fund and governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified cash basis of accounting*. The modified cash basis recognizes assets, liabilities, net position/fund balance, revenues, and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Under the modified cash basis of accounting, the Town generally recognizes revenues when received. As a result, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) are not recorded in the Town's basic financial statements. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues when received if all eligibility requirements imposed by the provider have been met. Property taxes and grants received in advance of being earned or meeting eligibility requirements are reported as liabilities. Debt proceeds are recognized as other financing sources and general revenue when received. Additionally, capital assets such as property, equipment, and infrastructure are not capitalized or reported in the government-wide financial statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Under the modified cash basis of accounting, the Town generally records expenditures when paid, except for certain payroll withholdings. As a result, certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid and accrued expenses and liabilities) are not recorded in the Town's basic financial statements. Additionally, long-term liabilities such as debt payable and compensated absences are not reported. Additional information on outstanding long-term debt is shown in Note 3.C.

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.

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.

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

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

2. Property Taxes and Special Charges Receivable

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Property Taxes and Special Charges Receivable (Continued)

In addition to its levy, the Town also levies and collects taxes for Door County, the School District of Sevastopol and Northeast Wisconsin Technical College. Property taxes and special charges collected on behalf of other taxing entities as of December 31, 2023 are reported as liabilities and paid in the subsequent year as part of the January tax settlement.

3. Long-Term Obligations

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt 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. Because the Town uses the modified cash basis of accounting, principal payments are reported as expenditures in the statement of activities and no liability is reported on the statement of net position.

4. Fund Equity

Governmental Fund Financial Statements

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

- **Nonspendable Fund Balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted Fund Balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed Fund Balance.** Amounts that are constrained for specific purposes by action of the Town Board. These constraints can only be removed or changed by the Town Board using the same action that was used to create them.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Fund Equity (Continued)

- **Assigned Fund Balance.** Amounts that are constrained for specific purposes by action of Town management. The Town Board has not authorized an employee to assign fund balance.
- **Unassigned Fund Balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

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

Government-Wide Financial Statements

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

- **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.

5. Prior Year Information

Summarized financial information for the prior year have been presented in the basic financial statements to provide an understanding of changes in the Town's financial position and operations. The summarized information is not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2022 from which the summarized information was derived.

**TOWN OF JACKSONPORT
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, the Town Board and officials prepare 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 modified cash basis of accounting for the general fund. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the general fund.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department 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 fiscal year ended December 31, 2023 exceeded budget by \$187,184.

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

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2023 as follows:

Funds	Excess Expenditures
General Government	
Board	\$ 1,717
Attorney	24,519
Clerk/Treasurer	7,062
Elections	1,593
Audit	453
Town Hall/Fire Station	2,621
Public Safety	
Fire Department	16,479
Building Inspection	5,777
Public Works	
Highway Maintenance	45,234
Snow Control	45,011
Highway Construction	112,910
Recycling	1,512
Health and Human Services	
Animal Control	100
Cemetery	1,135
Culture and Recreation	
Parks	3,406
Recreation Facilities and Education	5,092
150th Anniversary	3,842
Conservation and Development	
Plan Commission	6,398
Debt Service	
Interest and Fiscal Charges	79,927
Capital Outlay	
Parks	1,000

The above excess expenditures were funded by positive variances of the general fund or by available fund balance within the general fund.

C. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, 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 0.908%. The actual limit for the Town for the 2024 budget was 1.127%. 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.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town maintains various cash and investment accounts 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 \$3,074,902 on December 31, 2023 and consisted entirely of deposits with financial institutions.

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position	
Cash and Investments	\$ 1,825,366
Restricted Cash and Investments	121,852
Fiduciary Fund Statement of Net Position	
Custodial Fund	1,127,684
	<u>\$ 3,074,902</u>

Fair Value Measurements

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 currently has no investments that are subject to fair value measurement.

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.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. 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, \$2,069,701 of the Town's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

B. Restricted Assets

Restricted assets on December 31, 2023 totaled \$121,852 and consisted of cash and investments held for the following purposes:

General Fund	Amount	Purpose
Fire Department	\$ 121,852	To account for fire department fundraisers and donations to be used for fire department expenditures

C. 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:					
Direct Borrowings					
State Trust Fund Loans	\$ 1,135,768	\$ 1,250,000	\$ 58,945	\$ 2,326,823	\$ 61,465
General Obligation Promissory Note	705,421	-	138,418	567,003	147,256
Total General Obligation Debt	<u>\$ 1,841,189</u>	<u>\$ 1,250,000</u>	<u>\$ 197,363</u>	<u>\$ 2,893,826</u>	<u>\$ 208,721</u>

The Town's outstanding state trust fund loans from direct borrowings of \$2,326,823 contain 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.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Long-Term Obligations (Continued)

The Town's outstanding general obligation promissory note from direct borrowings of \$567,003 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.

Total interest paid during the year on long-term debt totaled \$79,927.

General Obligation Debt

General obligation direct borrowings currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23
State Trust Fund Loan	09/05/18	03/15/36	4.50%	\$ 302,255	\$ 235,567
State Trust Fund Loan	10/16/18	03/15/37	4.50%	1,057,745	841,256
General Obligation Promissory Note	11/22/21	01/01/26	3.25%	260,168	156,626
General Obligation Promissory Note	07/21/22	10/01/27	3.75%	500,000	410,377
State Trust Fund Loan	12/21/23	03/15/43	6.25%	1,250,000	1,250,000
Total Outstanding General Obligation Debt					<u>\$ 2,893,826</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$2,893,826 on December 31, 2023 are detailed below:

<u>Year Ending December 31,</u>	Governmental Activities		
	Direct Borrowings - General Obligation Notes		
	Principal	Interest	Total
2024	\$ 208,721	\$ 68,569	\$ 277,290
2025	236,561	156,549	393,110
2026	264,754	128,625	393,379
2027	220,107	117,341	337,448
2028	117,084	108,792	225,876
2029-2033	684,009	445,369	1,129,378
2034-2038	678,069	252,553	930,622
2039-2043	484,521	94,586	579,107
	<u>\$ 2,893,826</u>	<u>\$ 1,372,384</u>	<u>\$ 4,266,210</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Long-Term Obligations (Continued)

Legal Margin for New Debt

The Town's legal margin for creation of additional general obligation debt on December 31, 2023 was \$21,107,759 as follows:

Equalized Valuation of the Town	\$ 480,031,700
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	24,001,585
Outstanding General Obligation Debt Applicable to Debt Limitation	<u>2,893,826</u>
Legal Margin for New Debt	<u><u>\$ 21,107,759</u></u>

D. Fund Equity

Restricted Fund Balance

In the fund financial statements, a portion of fund balance has been restricted as it is not available for appropriation or is legally restricted for use for a specific purpose. At December 31, 2023, restricted fund balance was as follows:

Restricted for	
Fire Department Equipment and Training	\$ 121,852
Fiber Project	<u>1,250,000</u>
Total Restricted Fund Balance	<u><u>\$ 1,371,852</u></u>

Committed Fund Balance

In the fund financial statements, portions of general fund balance are committed by Town Board action. At December 31, 2023, committed fund balance was as follows:

Committed for	
Fire Department Capital Outlay	<u><u>\$ 92,102</u></u>

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

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. Payment of premiums for these policies are recorded as expenses of the Town. Insurance settlements have not exceeded coverage in any of the past three 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 and legal counsel 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.

SUPPLEMENTARY INFORMATION

**TOWN OF JACKSONPORT
DOOR COUNTY, WISCONSIN
GENERAL FUND –
SCHEDULE OF BUDGETED REVENUES COLLECTED –
MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Taxes				
General Property	\$ 673,571	\$ 673,571	\$ 672,633	\$ (938)
Forest Crop and Managed Forest Land Taxes	-	-	9,813	9,813
Room Tax	45,000	45,000	77,503	32,503
Total Taxes	<u>722,871</u>	<u>722,871</u>	<u>759,949</u>	<u>37,078</u>
Intergovernmental				
State:				
State Shared Taxes	9,698	9,698	10,450	752
Fire Insurance Dues	7,185	7,185	10,266	3,081
Tax Exempt Computer Aid	-	-	42	42
Transportation	128,443	128,443	128,443	-
Forest Croplands	-	-	378	378
County Recycling Rebate	1,000	1,000	971	(29)
Total Intergovernmental	<u>159,368</u>	<u>159,368</u>	<u>159,550</u>	<u>182</u>
Licenses and Permits				
Licenses:				
Business and Occupational	3,750	3,750	3,915	165
Dog	200	200	137	(63)
Permits:				
Building	15,000	15,000	17,779	2,779
Zoning and Permit Fees	-	-	900	900
Total Licenses and Permits	<u>18,950</u>	<u>18,950</u>	<u>22,731</u>	<u>3,781</u>
Public Charges for Services				
General Government	500	500	1,325	825
Cemetery	1,500	1,500	2,100	600
Park	200	200	350	150
Launch Fees	45,000	45,000	46,610	1,610
Total Public Charges for Services	<u>47,200</u>	<u>47,200</u>	<u>50,385</u>	<u>3,185</u>
Miscellaneous				
Interest on Investments	1,000	1,000	23,236	22,236
Donations	82,942	82,942	15,620	(67,322)
Other	10,450	10,450	15,763	5,313
Total Miscellaneous	<u>94,392</u>	<u>94,392</u>	<u>54,619</u>	<u>(39,773)</u>
Total Revenues Collected	<u>\$ 1,042,781</u>	<u>\$ 1,042,781</u>	<u>\$ 1,047,234</u>	<u>\$ 4,453</u>

**TOWN OF JACKSONPORT
DOOR COUNTY, WISCONSIN
GENERAL FUND –
SCHEDULE OF BUDGETED EXPENDITURES PAID –
MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
General Government				
Board	\$ 26,750	\$ 26,750	\$ 28,467	\$ (1,717)
Attorney	11,000	11,000	35,519	(24,519)
Clerk/Treasurer	47,250	47,250	54,312	(7,062)
Elections	2,000	2,000	3,593	(1,593)
Audit	8,400	8,400	8,853	(453)
Assessor	12,200	12,200	12,200	-
Town Hall/Fire Station	28,700	28,700	31,321	(2,621)
Insurance	22,000	22,000	19,601	2,399
Miscellaneous	78,942	78,942	12,216	66,726
Payroll Expenses	2,000	2,000	1,194	806
Total General Government	<u>239,242</u>	<u>239,242</u>	<u>207,276</u>	<u>31,966</u>
Public Safety				
Fire Department	60,685	60,685	77,164	(16,479)
Building Inspection	15,000	15,000	20,777	(5,777)
Total Public Safety	<u>75,685</u>	<u>75,685</u>	<u>97,941</u>	<u>(22,256)</u>
Public Works				
Highway Maintenance	35,000	35,000	80,234	(45,234)
Snow Control	60,000	60,000	105,011	(45,011)
Sidewalks	1,000	1,000	-	1,000
Highway Construction	301,622	301,622	414,532	(112,910)
Street Lighting	6,500	6,500	5,942	558
Garbage	1,200	1,200	1,154	46
Recycling	6,000	6,000	7,512	(1,512)
Total Public Works	<u>411,322</u>	<u>411,322</u>	<u>614,385</u>	<u>(203,063)</u>
Health and Human Services				
Animal Control	1,500	1,500	1,600	(100)
Cemetery	3,500	3,500	4,635	(1,135)
Total Health and Human Services	<u>5,000</u>	<u>5,000</u>	<u>6,235</u>	<u>(1,235)</u>
Culture and Recreation				
Parks	42,000	42,000	45,406	(3,406)
Recreation Facilities and Education	6,100	6,100	11,192	(5,092)
150th Anniversary	-	-	3,842	(3,842)
Total Culture and Recreation	<u>48,100</u>	<u>48,100</u>	<u>60,440</u>	<u>(12,340)</u>
Conservation and Development				
Economic Development	9,000	9,000	15,398	(6,398)
Plan Commission	12,000	12,000	-	12,000
Total Conservation and Development	<u>21,000</u>	<u>21,000</u>	<u>15,398</u>	<u>5,602</u>
Debt Service				
Principal	221,632	221,632	197,363	24,269
Interest and Fiscal Charges	-	-	79,927	(79,927)
Total Debt Service	<u>221,632</u>	<u>221,632</u>	<u>277,290</u>	<u>(55,658)</u>
Capital Outlay				
Fire Protection	63,300	63,300	-	63,300
Parks	-	-	1,000	(1,000)
Total Capital Outlay	<u>70,800</u>	<u>70,800</u>	<u>1,000</u>	<u>69,800</u>
Total Expenditures Paid	<u>\$ 1,092,781</u>	<u>\$ 1,092,781</u>	<u>\$ 1,279,965</u>	<u>\$ (187,184)</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***

To the Town Board
Town of Jacksonport
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 major fund, and aggregate remaining fund information of the Town of Jacksonport (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 April 3, 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 entity'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

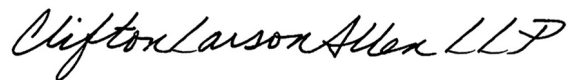
As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the finding 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
April 3, 2024

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

Internal Control Over Financial Reporting

FINDING NO.	CONTROL DEFICIENCIES
2023-001	Preparation of Annual Financial Report
Type of Finding	Significant Deficiency 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 format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the 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 procedures to ensure that the financial statements, including note disclosures, are completed and accurate.
Criteria:	The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required State Financial reports.
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.
Effect:	The Town may not be able to completely prepare an annual financial report in accordance with the modified cash basis of accounting.
Repeat Finding:	Yes; 2022-002
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 modified cash basis of accounting 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.
Management Response:	The Town Clerk/Treasurer and Town Board will review and approve the annual financial report prior to issuance.



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