

CITY OF RIPON, WISCONSIN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2024



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**CITY OF RIPON, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	14
STATEMENT OF ACTIVITIES	15
FUND FINANCIAL STATEMENTS	
BALANCE SHEET — GOVERNMENTAL FUNDS	17
RECONCILIATION OF THE STATEMENT OF NET POSITION — GOVERNMENTAL FUNDS	18
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS	19
RECONCILIATION OF THE STATEMENT OF ACTIVITIES — GOVERNMENTAL FUNDS	20
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES — BUDGET AND ACTUAL — GENERAL FUND	21
STATEMENT OF NET POSITION — PROPRIETARY FUNDS	22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION — PROPRIETARY FUNDS	24
STATEMENT OF CASH FLOWS — PROPRIETARY FUNDS	25
STATEMENT OF FIDUCIARY NET POSITION — FIDUCIARY FUNDS	27
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION — FIDUCIARY FUNDS	28
COMBINING STATEMENT OF NET POSITION — COMPONENT UNITS	29
COMBINING STATEMENT OF ACTIVITIES — COMPONENT UNITS	30
NOTES TO BASIC FINANCIAL STATEMENTS	31

**CITY OF RIPON, WISCONSIN
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) — WISCONSIN RETIREMENT SYSTEM	85
SCHEDULE OF CONTRIBUTIONS — WISCONSIN RETIREMENT SYSTEM	86
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB PENSION LIABILITY (ASSET) — LOCAL RETIREE LIFE INSURANCE FUND	87
SCHEDULE OF CONTRIBUTIONS — LOCAL RETIREE LIFE INSURANCE FUND	87
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	88

SUPPLEMENTARY INFORMATION

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES	91
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES	93
COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS	94
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES — NONMAJOR GOVERNMENTAL FUNDS	96
COMBINING STATEMENT OF FIDUCIARY NET POSITION — FIDUCIARY FUNDS	99
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION — FIDUCIARY FUNDS	100

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	102
SCHEDULE OF FINDINGS AND RESPONSES	104



INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Ripon, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ripon, Wisconsin, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Ripon, Wisconsin'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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ripon, Wisconsin, as of December 31, 2024, 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 City of Ripon, Wisconsin, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 4.F, effective December 31, 2024, the City changed accounting policies related to accounting changes and error corrections by adopting Governmental Accounting Standards Board Statement (GASB Statement) No. 100, *Accounting Changes and Error Corrections*, in 2024. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Ripon, Wisconsin'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 City of Ripon, Wisconsin'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 City of Ripon, Wisconsin'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 management's discussion and analysis and the schedules relating to pensions and other postemployment benefits 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ripon, Wisconsin'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2025, on our consideration of the City of Ripon, Wisconsin'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 City of Ripon, Wisconsin'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 City of Ripon, Wisconsin's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
October 29, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Ripon, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

As management of the City of Ripon, Wisconsin, we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024.

Financial Highlights

- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2024 by \$15.9 million (*net position*).
- As of December 31, 2024, the City's governmental funds reported combined ending fund balances of \$6,983,501, an increase of \$1,138,066 in comparison with the prior year.
- As of December 31, 2024, unassigned fund balance for the general fund was \$1,311,703 or approximately 19% of total general fund expenditures.
- The City's total general-obligation debt decreased by \$3,171,997 (30.8%) during 2024. The revenue bonds in the City's business-type activities debt decreased by \$420,971.

Overview of the Basic Financial Statements

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, liabilities and deferred inflows and outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, health and human services, culture and recreation, and conservation and development. The business-type activities of the City include the water and wastewater activities.

The government-wide financial statements can be found on pages 14 - 16 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

City of Ripon, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twenty four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, TID No.11 downtown business fund, TID No.7 Hwy 44/49S fund, general debt service fund, and the general capital projects fund, which are considered to be major funds. Data from the other remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining* statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17 - 21 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater utilities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its health insurance costs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater utility funds, both of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 22 - 26 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 - 28 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31 - 83 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements and schedules can be found on pages 94 - 100 of this report. General Fund detailed comparison of budgeted and actual revenues and expenditures can be found on pages 91 - 93 of this report.

City of Ripon, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

Government-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$25.4 million at the close of 2024, an increase of \$836,399 over the prior year.

City of Ripon's Net Position						
	Governmental activities		Business-type activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$16,322,435	\$14,262,723	\$ 1,286,576	\$ 1,466,654	\$17,609,011	\$15,729,377
Restricted cash	-	-	412,000	412,000	412,000	412,000
Capital assets	20,831,917	18,930,448	10,675,667	10,032,607	31,507,584	28,963,055
Total Assets	37,154,352	33,193,171	12,374,243	11,911,261	49,528,595	45,104,432
Deferred outflows of resources	2,883,079	4,199,771	465,383	728,133	3,348,462	4,927,904
Current liabilities	1,991,419	1,094,267	45,438	152,141	2,036,857	1,246,408
Long-term liabilities outstanding	14,840,703	12,201,455	2,981,638	3,535,886	17,822,341	15,737,341
Total Liabilities	16,832,122	13,295,722	3,027,076	3,688,027	19,859,198	16,983,749
Deferred inflows of resources	7,257,481	7,987,607	296,586	433,587	7,554,067	8,421,194
Net Position						
Net investment in capital assets	7,642,630	10,300,881	8,227,479	7,159,920	15,870,109	17,460,801
Restricted	2,285,127	3,224,264	412,000	412,000	2,697,127	3,636,264
Unrestricted	6,020,071	2,584,468	876,485	945,859	6,896,556	3,530,327
Total Net Position	\$15,947,828	\$16,109,613	\$ 9,515,964	\$ 8,517,780	\$25,463,792	\$24,627,393

By far the largest portion of the City's net position (\$15.8 million) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$2.7 million) represents resources that are subject to external restrictions on how they may be used. The remaining amount of \$6.8 million is the net amount that may be used to meet the City's obligations.

City of Ripon, Wisconsin

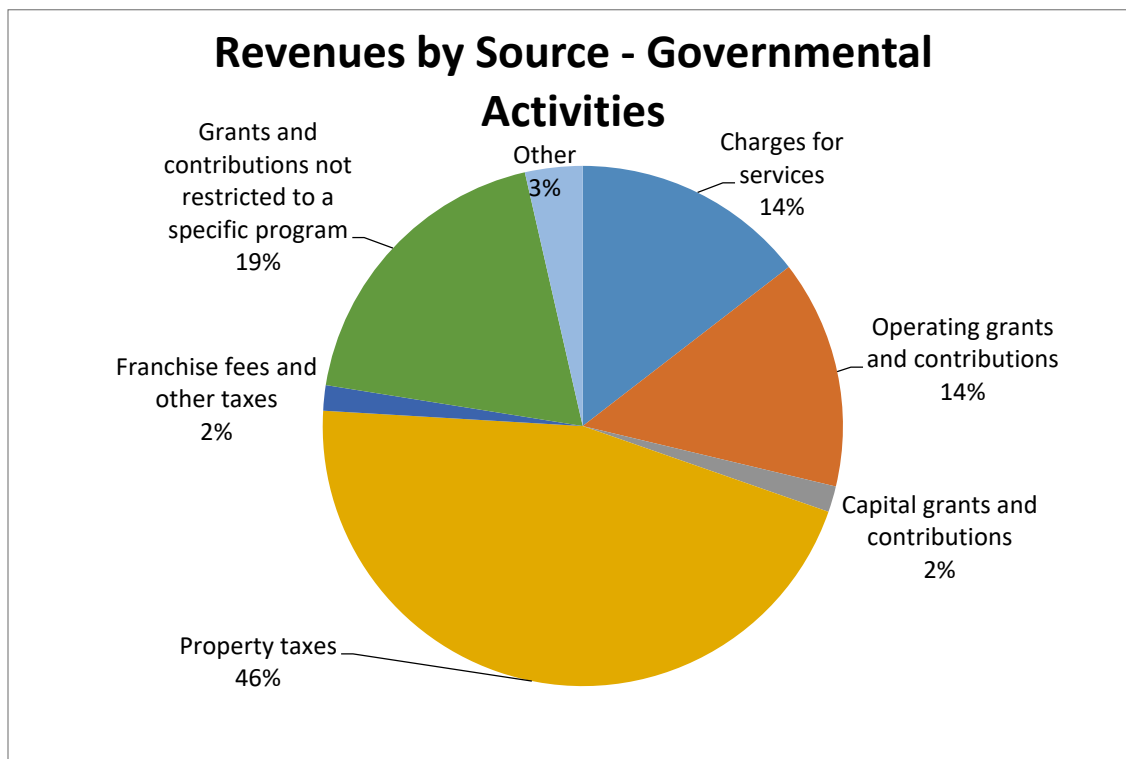
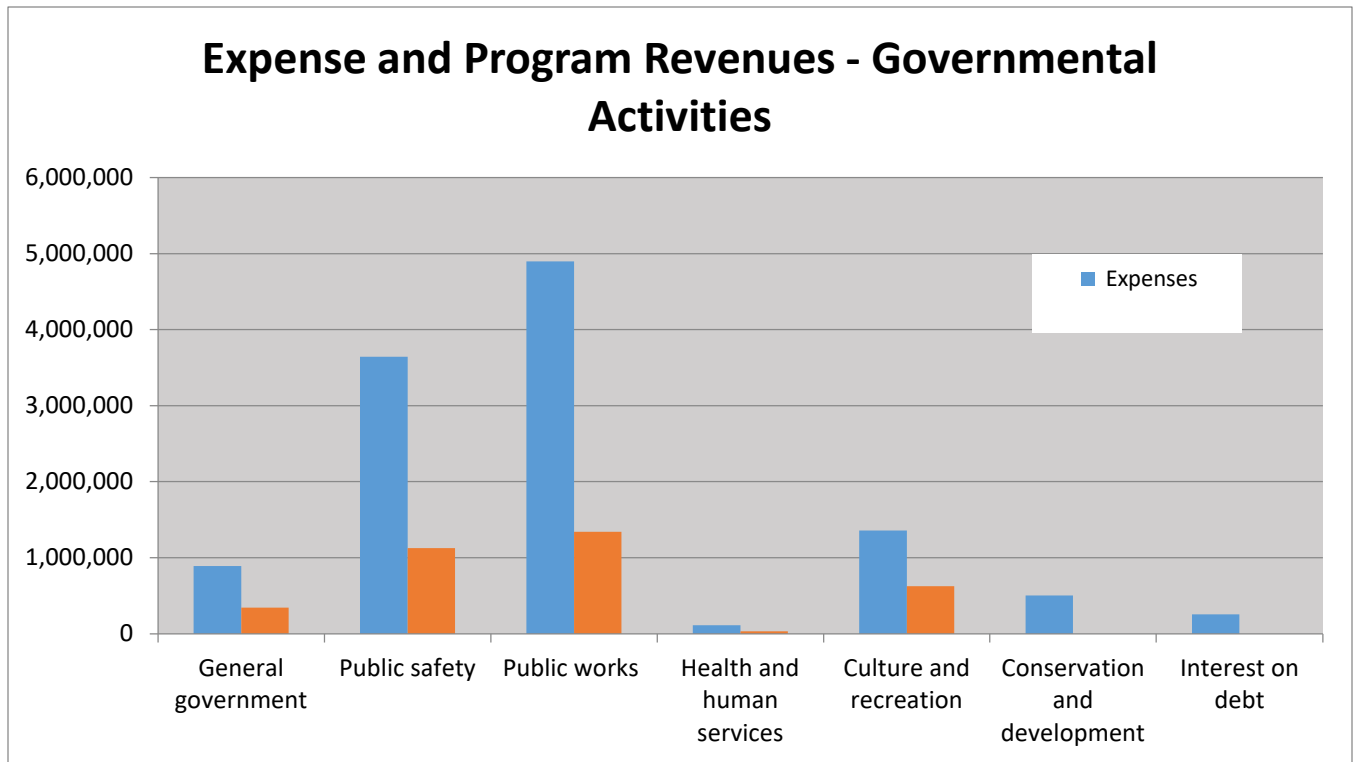
MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

Change in net position. Governmental activities decreased the City's net position by \$161,785, and business-type activities increased the City's net position by \$998,184.

City of Ripon's Change in Net Position						
	Governmental activities		Business-type activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for services	\$ 1,664,319	\$ 1,552,061	\$ 2,997,768	\$ 2,987,454	\$ 4,662,087	\$ 4,539,515
Operating grants and contributions	1,624,385	1,265,244	-	-	1,624,385	1,265,244
Capital grants and contributions	183,883	415,009	783,052	182,991	966,935	598,000
General Revenues						
Property taxes	5,215,286	4,972,374	-	-	5,215,286	4,972,374
Other taxes	181,159	188,715	-	-	181,159	188,715
Grants and contributions not restricted to specific programs	2,162,856	1,900,271	-	-	2,162,856	1,900,271
Other	409,500	748,764	9,952	19,361	419,452	768,125
Total Revenues	11,441,388	11,042,438	3,790,772	3,189,806	15,232,160	14,232,244
Expenses						
General government	892,873	1,015,534	-	-	892,873	1,015,534
Public safety	3,644,378	3,814,166	-	-	3,644,378	3,814,166
Public works	4,896,892	3,540,660	-	-	4,896,892	3,540,660
Health and human services	111,187	72,595	-	-	111,187	72,595
Culture and recreation	1,358,021	1,369,524	-	-	1,358,021	1,369,524
Conservation and development	501,835	437,631	-	-	501,835	437,631
Interest on long-term debt	255,044	319,038	-	-	255,044	319,038
Wastewater utility	-	-	1,436,696	1,464,722	1,436,696	1,464,722
Water utility	-	-	1,298,835	1,371,799	1,298,835	1,371,799
Total Expenses	11,660,230	10,569,148	2,735,531	2,836,521	14,395,761	13,405,669
Change in Net Position Before						
Transfers	(218,842)	473,290	1,055,241	353,285	836,399	826,575
Transfers	57,057	18,350	(57,057)	(18,350)	-	-
Change in Net Position	(161,785)	491,640	998,184	334,935	836,399	826,575
Net Position - January 1	16,109,613	15,352,028	8,517,780	8,288,644	24,627,393	23,640,672
Prior Period Adjustment	-	265,945	-	(105,799)	-	160,146
Net Position - January 1, restated	16,109,613	15,617,973	8,517,780	8,182,845	24,627,393	23,800,818
Net Position - December 31	\$15,947,828	\$16,109,613	\$ 9,515,964	\$ 8,517,780	\$25,463,792	\$24,627,393

City of Ripon, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024



City of Ripon, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

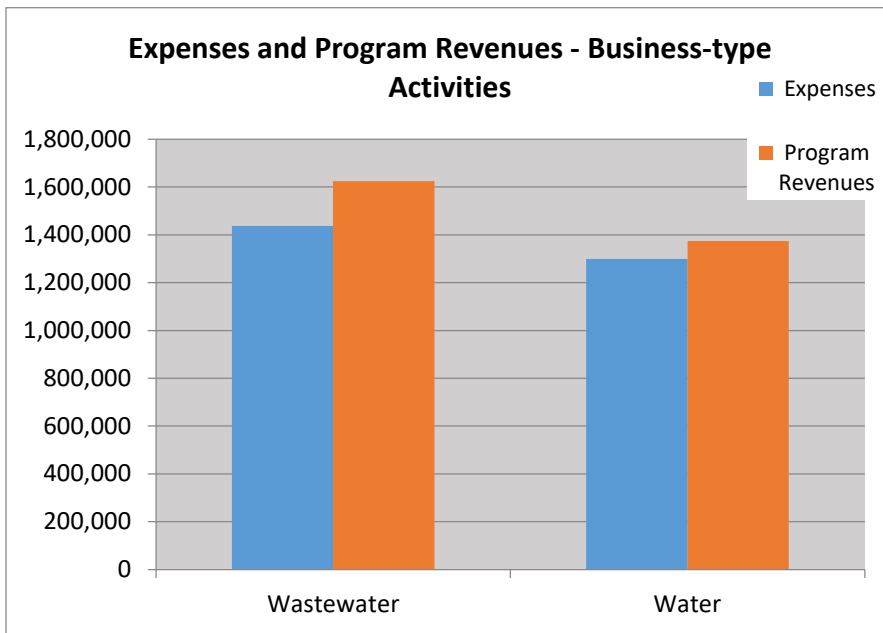
As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,983,501, an increase of \$1,138,066 in comparison with the prior year. A deficit balance of (\$1,277,307) exists in *unassigned fund balance*. The remaining components of fund balance are not available for new spending because they are either 1) nonspendable (\$447,800), 2) restricted (\$5,413,289), 3) committed (\$2,020,289) or 4) assigned (\$379,432).

The general fund is the primary operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,311,703, while total fund balance reached \$2,131,762. As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 19% of total general fund expenditures, while total fund balance represents 32% of that same amount.

The fund balance of the City's general fund decreased by \$41,628 during the current fiscal year.

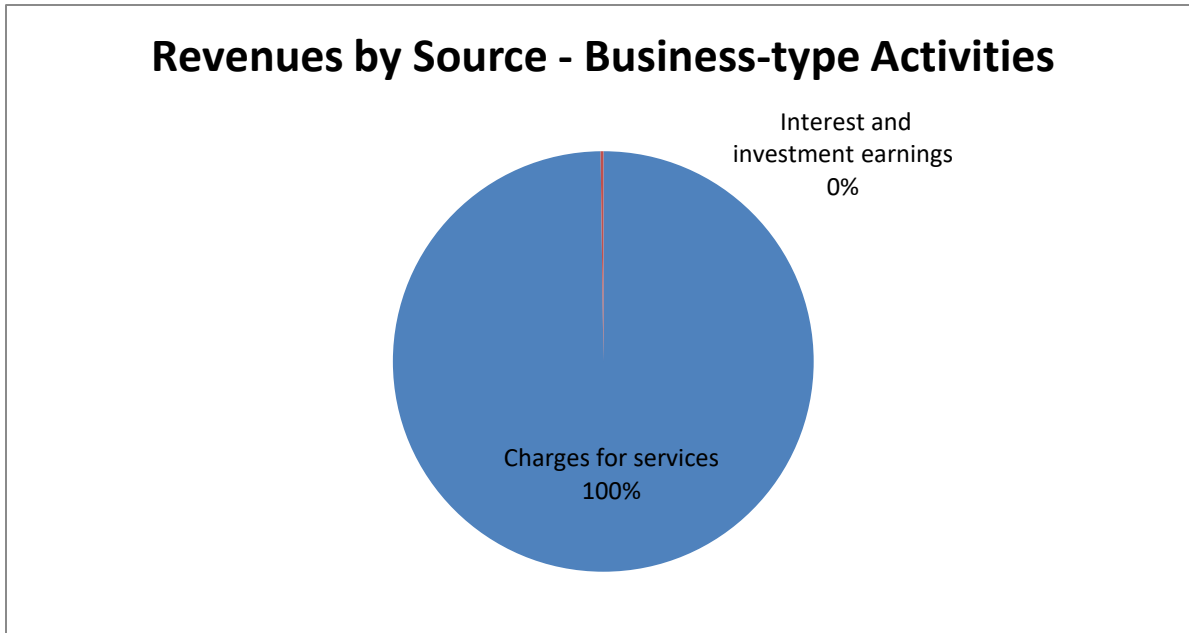
Proprietary funds. The City's proprietary funds provide the same type of information found in the City's government-wide financial statements, but in more detail.

Unrestricted net position of the water utility at the end of the year amounted to \$70,012 and the wastewater utility amounted to \$806,473. The total increase in net position for the water utility was \$652,731. The total increase in net position for the wastewater utility was \$345,453. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.



City of Ripon, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024



General Fund Budgetary Highlights

Actual revenues for the year were higher than budgeted revenues by \$141,766. Actual expenditures were higher than budgeted expenditures by \$412,188.

Detailed comparisons of budgeted and actual revenues and expenditures can be found on pages 90 - 92 of this report.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2024, amounts to \$31.5 million (net of accumulated depreciation). This investment in capital assets includes land and improvements, intangible plant, buildings and improvements, machinery and equipment, and infrastructure (roads, highways, and bridges). The total increase in the City's investment in capital assets for the current fiscal year was \$2,544,529 or 8.8% from last year (a 10.0% increase for governmental activities and a 6.4% increase for business-type activities).

	Governmental activities		Business-type activities		Totals	
	2024	2023	2024	2023	2024	2023
Land and improvements	\$ 1,811,945	\$ 1,811,945	\$ 173,312	\$ 173,312	\$ 1,985,257	\$ 1,985,257
Construction in progress	1,467,359	190,287	533,683	66,927	2,001,042	257,214
Buildings and improvements	7,220,286	7,220,286	8,093,442	8,093,442	15,313,728	15,313,728
Machinery and Equipment	5,989,780	5,825,387	5,712,713	5,537,219	11,702,493	11,362,606
Infrastructure	28,183,252	27,087,664	16,785,557	16,442,040	44,968,809	43,529,704
Accumulated depreciation	(23,840,705)	(23,205,121)	(20,623,040)	(20,280,333)	(44,463,745)	(43,485,454)
Total	\$ 20,831,917	\$ 18,930,448	\$ 10,675,667	\$ 10,032,607	\$ 31,507,584	\$ 28,963,055

Additional information of the City's capital assets can be found in note 3.C. on pages 48 - 49 of this report.

City of Ripon, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$16,315,981. Of this amount, \$13,464,265 comprises debt backed by the full faith and credit of the government and \$2,851,716 is revenue bonds secured by the revenues of the water and wastewater utilities.

City of Ripon's Outstanding Debt						
General Obligation Debt and Revenue Bonds						
	Governmental activities		Business-type activities		Totals	
	2024	2023	2024	2023	2024	2023
General Obligation Debt						
Bonds	\$ 5,505,000	\$ 6,430,000	\$ -	\$ -	\$ 5,505,000	\$ 6,430,000
Notes	1,124,999	1,880,026	-	-	1,124,999	1,880,026
Direct Borrowings	6,834,266	1,982,242	-	-	6,834,266	1,982,242
Total General Obligation	13,464,265	10,292,268	-	-	13,464,265	10,292,268
Revenue bonds	-	-	2,851,716	3,272,687	2,851,716	3,272,687
Total	\$ 13,464,265	\$ 10,292,268	\$ 2,851,716	\$ 3,272,687	\$ 16,315,981	\$ 13,564,955

The City's total debt increased by \$2,751,026, or 20.28%, during the current fiscal year.

The City maintains an "A1" rating from Moody's Investors Service for general obligation debt.

State statutes limit the amount of general obligation debt the City may issue to 5% of its total equalized valuation. The current debt limitation for the City is \$31,771,290, which is significantly in excess of the City's \$13,464,265 outstanding general obligation debt.

Additional information on the City's long-term debt can be found in note 3.E. on pages 52 - 55 of this report.

Economic Factors and Next Year's Budgets and Rates

- The economic condition and outlook of the City has remained fairly stable based on a relatively healthy mix of manufacturing, tourism, service industry, and retail activities which support our tax base.
- The City maintains ten active TIDs. All districts are expecting to close under the allotted time under State law.

All of these factors were considered in preparing the City's budget for the 2025 fiscal year.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator of the City of Ripon located at 100 Jackson Street, Ripon, WI 54971.

BASIC FINANCIAL STATEMENTS

**CITY OF RIPON, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Governmental Activities	Business-Type Activities	Totals	Component Units
ASSETS				
Cash and Investments	\$ 10,225,255	\$ 474,176	\$ 10,699,431	\$ 196,873
Receivables:				
Taxes and Special Charges	3,796,020	-	3,796,020	68,830
Delinquent Taxes, Net	1,742	-	1,742	-
Accounts, Net	409,183	728,936	1,138,119	67,709
Special Assessments	152,004	-	152,004	-
Loans	1,647,491	-	1,647,491	-
Internal Balances	(3,678)	3,678	-	-
Prepaid Supplies and Items	94,418	79,786	174,204	-
Restricted Assets:				
Cash and Investments	-	412,000	412,000	31,355
Capital Assets, Nondepreciable	2,515,236	706,995	3,222,231	191,254
Capital Assets, Depreciable, Net	18,316,681	9,968,672	28,285,353	1,930,184
Total Assets	<u>37,154,352</u>	<u>12,374,243</u>	<u>49,528,595</u>	<u>2,486,205</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Advance Refunding	117,023	-	117,023	-
Pension Related Amounts	2,664,752	447,655	3,112,407	65,936
Other Postemployment Related Amounts	<u>101,304</u>	<u>17,728</u>	<u>119,032</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>2,883,079</u>	<u>465,383</u>	<u>3,348,462</u>	<u>65,936</u>
LIABILITIES				
Accounts Payable	1,633,209	15,652	1,648,861	18,888
Accrued and Other Current Liabilities	211,474	23,325	234,799	8,079
Due to Other Governments	822	-	822	-
Accrued Interest Payable	121,148	6,461	127,609	-
Special Deposits	23,557	-	23,557	-
Unearned Revenues	1,209	-	1,209	-
Long-Term Obligations:				
Due Within One Year	1,856,879	438,188	2,295,067	-
Due in More Than One Year	12,409,660	2,444,683	14,854,343	-
Net Pension Liability	296,561	50,188	346,749	7,899
Net Other Postemployment Benefits	<u>277,603</u>	<u>48,579</u>	<u>326,182</u>	<u>-</u>
Total Liabilities	<u>16,832,122</u>	<u>3,027,076</u>	<u>19,859,198</u>	<u>34,866</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	5,510,461	-	5,510,461	68,830
Pension Related Amounts	1,585,134	268,257	1,853,391	42,911
Other Postemployment Related Amounts	<u>161,886</u>	<u>28,329</u>	<u>190,215</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>7,257,481</u>	<u>296,586</u>	<u>7,554,067</u>	<u>111,741</u>
NET POSITION				
Net Investment in Capital Assets	7,642,630	8,227,479	15,870,109	2,121,438
Restricted for Community Development Block Grants	643,284	-	643,284	-
Restricted for Tax Incremental Districts	1,641,843	-	1,641,843	-
Restricted for Debt Service	-	412,000	412,000	-
Restricted for Equipment Replacement	-	-	-	31,355
Unrestricted	<u>6,020,071</u>	<u>876,485</u>	<u>6,896,556</u>	<u>252,741</u>
Total Net Position	<u>\$ 15,947,828</u>	<u>\$ 9,515,964</u>	<u>\$ 25,463,792</u>	<u>\$ 2,405,534</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 892,873	\$ 336,397	\$ 7,754	\$ -
Public Safety	3,644,378	1,027,445	97,643	-
Public Works	4,896,892	193,845	964,043	183,883
Health and Human Services	111,187	33,904	-	-
Culture and Recreation	1,358,021	72,728	554,945	-
Conservation and Development	501,835	-	-	-
Interest and Fiscal Charges	255,044	-	-	-
Total Governmental Activities	<u>11,660,230</u>	<u>1,664,319</u>	<u>1,624,385</u>	<u>183,883</u>
BUSINESS-TYPE ACTIVITIES				
Wastewater Utility	1,436,696	1,624,046	-	143,540
Water Utility	1,298,835	1,373,722	-	639,512
Total Business-Type Activities	<u>2,735,531</u>	<u>2,997,768</u>	<u>-</u>	<u>783,052</u>
Total Primary Government	<u>\$ 14,395,761</u>	<u>\$ 4,662,087</u>	<u>\$ 1,624,385</u>	<u>\$ 966,935</u>
COMPONENT UNITS	<u>\$ 720,977</u>	<u>\$ 530,777</u>	<u>\$ -</u>	<u>\$ 70,914</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			Component Units
	Governmental Activities	Business-Type Activities	Totals	
GOVERNMENTAL ACTIVITIES				
General Government	\$ (548,722)	\$ -	\$ (548,722)	\$ -
Public Safety	(2,519,290)	-	(2,519,290)	-
Public Works	(3,555,121)	-	(3,555,121)	-
Health and Human Services	(77,283)	-	(77,283)	-
Culture and Recreation	(730,348)	-	(730,348)	-
Conservation and Development	(501,835)	-	(501,835)	-
Interest and Fiscal Charges	(255,044)	-	(255,044)	-
Total Governmental Activities	(8,187,643)	-	(8,187,643)	-
BUSINESS-TYPE ACTIVITIES				
Wastewater Utility	-	330,890	330,890	-
Water Utility	-	714,399	714,399	-
Total Business-Type Activities	-	1,045,289	1,045,289	-
Total Primary Government	(8,187,643)	1,045,289	(7,142,354)	-
COMPONENT UNITS	-	-	-	(119,286)
GENERAL REVENUES AND TRANSFERS				
Taxes:				
Property Taxes	3,846,678	-	3,846,678	-
Tax Increments	1,368,608	-	1,368,608	-
Other Taxes	181,159	-	181,159	-
Federal and State Grants, and Other Contributions not Restricted to Specific Functions	2,162,856	-	2,162,856	-
Interest and Investment Earnings	353,778	6,424	360,202	1,666
Miscellaneous	55,722	3,528	59,250	22,878
Transfers	57,057	(57,057)	-	-
Total General Revenues and Transfers	8,025,858	(47,105)	7,978,753	24,544
CHANGE IN NET POSITION	(161,785)	998,184	836,399	(94,742)
Net Position - Beginning of Year	16,109,613	8,517,780	24,627,393	2,500,276
NET POSITION - END OF YEAR	<u>\$ 15,947,828</u>	<u>\$ 9,515,964</u>	<u>\$ 25,463,792</u>	<u>\$ 2,405,534</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	TID No. 11 Downtown Business	TID No. 7 Hwy 44/49S	General Debt Service	General Capital Projects	Other Governmental Funds	Totals
ASSETS							
Cash and Investments	\$ 1,232,667	\$ 3,727,250	\$ -	\$ 372,173	\$ 746,711	\$ 3,991,073	\$ 10,069,874
Receivables:							
Taxes and Special Charges	1,589,007	47,878	111,525	735,757	135,952	1,175,408	3,795,527
Delinquent Taxes, Net	1,742	-	-	-	-	-	1,742
Accounts, Net	187,549	-	-	-	55,132	166,502	409,183
Special Assessments	-	-	-	152,004	-	-	152,004
Loans	1,043,101	-	-	-	-	604,390	1,647,491
Due from Other Funds	1,252,077	-	-	-	-	-	1,252,077
Advance to Other Funds	539,109	-	-	-	-	158,234	697,343
Prepaid Supplies and Items	87,245	-	-	-	-	7,173	94,418
	<u>\$ 5,932,497</u>	<u>\$ 3,775,128</u>	<u>\$ 111,525</u>	<u>\$ 1,259,934</u>	<u>\$ 937,795</u>	<u>\$ 6,102,780</u>	<u>\$ 18,119,659</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 54,507	\$ -	\$ -	\$ -	\$ 1,497,120	\$ 81,582	\$ 1,633,209
Accrued and Other Current Liabilities	179,127	-	-	-	-	32,347	211,474
Due to Other Funds	-	-	484,711	-	-	542,209	1,026,920
Advance from Other Funds	3,678	-	557,015	-	-	140,328	701,021
Due to Other Governments	329	-	-	-	-	-	329
Special Deposits	23,557	-	-	-	-	-	23,557
Unearned Revenues	1,208	-	-	-	-	-	1,208
Total Liabilities	<u>262,406</u>	<u>-</u>	<u>1,041,726</u>	<u>-</u>	<u>1,497,120</u>	<u>796,466</u>	<u>3,597,718</u>
DEFERRED INFLOWS OF RESOURCES							
Property Taxes Levied for							
Subsequent Year	2,266,759	70,434	164,065	1,080,057	200,000	1,729,146	5,510,461
Interest on Advances	185,727	-	-	-	-	-	185,727
Accounts Receivable	42,764	-	-	-	-	-	42,764
Loans Receivable	1,043,079	-	-	-	-	604,390	1,647,469
Special Assessments	-	-	-	152,019	-	-	152,019
Total Deferred Inflows of Resources	<u>3,538,329</u>	<u>70,434</u>	<u>164,065</u>	<u>1,232,076</u>	<u>200,000</u>	<u>2,333,536</u>	<u>7,538,440</u>
FUND BALANCES							
Nonspendable	440,627	-	-	-	-	7,173	447,800
Restricted	-	3,704,694	-	27,858	-	1,680,737	5,413,289
Committed	-	-	-	-	-	2,020,287	2,020,287
Assigned	379,432	-	-	-	-	-	379,432
Unassigned	1,311,703	-	(1,094,266)	-	(759,325)	(735,419)	(1,277,307)
Total Fund Balances	<u>2,131,762</u>	<u>3,704,694</u>	<u>(1,094,266)</u>	<u>27,858</u>	<u>(759,325)</u>	<u>2,972,778</u>	<u>6,983,501</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,932,497</u>	<u>\$ 3,775,128</u>	<u>\$ 111,525</u>	<u>\$ 1,259,934</u>	<u>\$ 937,795</u>	<u>\$ 6,102,780</u>	<u>\$ 18,119,659</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN
RECONCILIATION OF THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total fund balances as shown on previous page.	\$ 6,983,501
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.	20,831,917
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.	2,027,978
Net position of the internal service fund is reported in the Statement of Net Position as governmental activities.	(69,776)
Deferred outflows and inflows of resources represent a consumption or acquisition of net position that applies to a future period and, therefore, are not reported in the funds.	
Loss on Advance Refunding	117,023
Deferred Outflows Related to Pensions	2,664,752
Deferred Inflows Related to Pensions	(1,585,134)
Deferred Outflows Related to Other Postemployment Benefits	101,304
Deferred Inflows Related to Other Postemployment Benefits	(161,886)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and Notes Payable	(13,464,265)
Premium on Debt	(155,466)
Compensated Absences	(279,546)
Net Pension Liability	(296,561)
Other Postemployment Benefit	(277,603)
Lease Liability	(367,262)
Accrued Interest on Long-Term Obligations	<u>(121,148)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position	<u>\$ 15,947,828</u>

See accompanying Notes to Basic Financial Statements.

CITY OF RIPON, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	TID No. 11 Downtown Business	TID No. 7 Hwy 44/49S	General Debt Service	General Capital Projects	Other Governmental Funds	Totals
REVENUES							
Taxes	\$ 2,547,797	\$ 63,176	\$ 131,159	\$ 776,729	\$ 90,000	\$ 1,781,494	\$ 5,390,355
Special Assessments	988	-	-	-	55,132	144,879	200,999
Intergovernmental	2,937,877	3,425	29	-	-	469,292	3,410,623
Licenses and Permits	287,664	-	-	-	-	-	287,664
Fines and Forfeits	81,318	-	-	-	-	-	81,318
Public Charges for Services	191,057	-	-	-	-	873,930	1,064,987
Intergovernmental Charges for Services	59,185	-	-	-	-	107,359	166,544
Miscellaneous	319,781	39,703	-	6,601	-	616,496	982,581
Total Revenues	6,425,667	106,304	131,188	783,330	145,132	3,993,450	11,585,071
EXPENDITURES							
Current:							
General Government	970,275	-	-	-	-	-	970,275
Public Safety	2,955,903	-	-	-	-	736,930	3,692,833
Public Works	2,206,836	-	-	-	-	560,313	2,767,149
Health and Human Services	111,110	-	-	-	-	-	111,110
Culture and Recreation	429,790	-	-	-	-	794,263	1,224,053
Conservation and Development	-	3,114	58,683	-	-	590,096	651,893
Debt Service:							
Principal	67,864	535,000	221,675	1,398,196	44,743	96,943	2,364,421
Interest and Fiscal Charges	8,811	98,513	22,153	167,525	10,156	9,567	316,725
Capital Outlay	-	-	-	400	3,510,451	665,939	4,176,790
Total Expenditures	6,750,589	636,627	302,511	1,566,121	3,565,350	3,454,051	16,275,249
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(324,922)	(530,323)	(171,323)	(782,791)	(3,420,218)	539,399	(4,690,178)
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	-	-	-	5,000,000	415,000	5,415,000
Lease Proceeds	128,294	-	-	-	227,893	-	356,187
Transfers In	155,000	724,838	-	-	150,000	207,330	1,237,168
Transfers Out	-	(150,000)	-	-	-	(1,030,111)	(1,180,111)
Total Other Financing Sources (Uses)	283,294	574,838	-	-	5,377,893	(407,781)	5,828,244
NET CHANGE IN FUND BALANCES	(41,628)	44,515	(171,323)	(782,791)	1,957,675	131,618	1,138,066
Fund Balances - Beginning of Year	2,173,390	3,660,179	-	810,649	(2,717,000)	1,918,217	5,845,435
Change within Financial Reporting Entity Nonmajor to Major Fund	-	-	(922,943)	-	-	922,943	-
Fund Balances - Beginning of Year, as Restated	2,173,390	3,660,179	(922,943)	810,649	(2,717,000)	2,841,160	5,845,435
FUND BALANCES - END OF YEAR	<u>\$ 2,131,762</u>	<u>\$ 3,704,694</u>	<u>\$ (1,094,266)</u>	<u>\$ 27,858</u>	<u>\$ (759,325)</u>	<u>\$ 2,972,778</u>	<u>\$ 6,983,501</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN
RECONCILIATION OF THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net change in fund balances as shown on previous page. \$ 1,138,066

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 Items Reported as Capital Outlay, but not Capitalized	3,039,085
Contributed Capital Assets	
Depreciation Expense Reported in the Statement of Activities	(1,137,616)

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

28,799

Loans issued to City businesses are recorded as an expenditure in the governmental funds when paid while the repayment of these loans is recorded as revenue when received. The issuance and repayment of such loans does not have an effect on net position. Loan activity during the current year is shown below:

Loans Payments Received	(22,482)
-------------------------	----------

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

Long-Term Debt Issued	(5,415,000)
Lease Issued	(356,188)
Lease Repaid	121,418
Principal Repaid	2,243,003

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	(25,742)
Amortization of Premiums and Loss on Advance Refunding	37,424
Compensated Absences	(2,523)
Net Pension Liability	762,071
Deferred Outflows of Resources Related to Pensions	(1,297,264)
Deferred Inflows of Resources Related to Pensions	632,174
Net Other Postemployment Benefits	(49,805)
Deferred Outflows of Resources Related to Other Postemployment Benefits	924
Deferred Inflows of Resources related to Other Postemployment Benefits	30,406

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

111,465

Change in Net Position of Governmental Activities as Reported in the Statement of Activities

\$ (161,785)

See accompanying Notes to Basic Financial Statements.

CITY OF RIPON, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL — GENERAL FUND
YEAR ENDED DECEMBER 31, 2024

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 2,635,803	\$ 2,635,803	\$ 2,547,797	\$ (88,006)
Special Assessments	25,000	25,000	988	(24,012)
Intergovernmental	2,943,033	2,943,033	2,937,877	(5,156)
Licenses and Permits	211,415	211,415	287,664	76,249
Fines and Forfeits	81,100	81,100	81,318	218
Public Charges for Services	158,250	158,250	191,057	32,807
Intergovernmental Charges for Services	60,000	60,000	59,185	(815)
Miscellaneous	169,300	169,300	319,781	150,481
Total Revenues	<u>6,283,901</u>	<u>6,283,901</u>	<u>6,425,667</u>	<u>141,766</u>
EXPENDITURES				
Current:				
General Government	1,004,862	1,004,862	970,275	34,587
Public Safety	2,743,668	2,743,668	2,955,903	(212,235)
Public Works	2,052,762	2,052,762	2,206,836	(154,074)
Health and Human Services	112,116	112,116	111,110	1,006
Culture and Recreation	424,993	424,993	429,790	(4,797)
Debt Service				
Principal	-	-	67,864	(67,864)
Interest and Fiscal Charges	-	-	8,811	(8,811)
Total Expenditures	<u>6,338,401</u>	<u>6,338,401</u>	<u>6,750,589</u>	<u>(412,188)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(54,500)	(54,500)	(324,922)	(270,422)
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	128,294	128,294
Transfers In	159,500	159,500	155,000	(4,500)
Transfers Out	(105,000)	(105,000)	-	105,000
Total Other Financing Sources (Uses)	<u>54,500</u>	<u>54,500</u>	<u>283,294</u>	<u>228,794</u>
NET CHANGE IN FUND BALANCE	-	-	(41,628)	(41,628)
Fund Balance - Beginning of Year	<u>2,173,390</u>	<u>2,173,390</u>	<u>2,173,390</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,173,390</u>	<u>\$ 2,173,390</u>	<u>\$ 2,131,762</u>	<u>\$ (41,628)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024**

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Water Utility	Totals	
ASSETS				
Current Assets:				
Cash and Investments	\$ 405,985	\$ 68,191	\$ 474,176	\$ 155,381
Receivables:				
Customer Accounts	379,009	349,927	728,936	-
Advances to Other Funds	1,662	2,016	3,678	-
Prepaid Supplies and Items	9,667	70,119	79,786	-
Total Current Assets	<u>796,323</u>	<u>490,253</u>	<u>1,286,576</u>	<u>155,381</u>
Noncurrent Assets:				
Restricted Assets:				
Cash and Investments	-	412,000	412,000	-
Capital Assets:				
Nondepreciable	37,464	669,531	706,995	-
Depreciable, Net	3,544,816	6,423,856	9,968,672	-
Total Capital Assets	<u>3,582,280</u>	<u>7,093,387</u>	<u>10,675,667</u>	<u>-</u>
Total Assets	4,378,603	7,995,640	12,374,243	155,381
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	227,414	220,241	447,655	-
Other Postemployment Related Amounts	9,200	8,528	17,728	-
Total Deferred Outflows of Resources	<u>236,614</u>	<u>228,769</u>	<u>465,383</u>	<u>-</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2024**

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Water Utility	Totals	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 6,285	\$ 9,367	\$ 15,652	\$ -
Accrued and Other Current Liabilities	10,083	13,242	23,325	-
Due to Other Funds	-	-	-	225,157
Accrued Interest Payable	1,230	5,231	6,461	-
Current Portion of Compensated Absences Payable from Restricted Assets	1,745	3,926	5,671	-
Current Portion of Revenue Bonds	29,184	403,333	432,517	-
Total Current Liabilities	<u>48,527</u>	<u>435,099</u>	<u>483,626</u>	<u>225,157</u>
Long-Term Obligations, Less Current Portion:				
Current Portion:				
Revenue Bonds	363,002	2,064,669	2,427,671	-
Compensated Absences	5,236	11,777	17,012	-
Net Pension Liability	25,527	24,661	50,188	-
Net Other Postemployment Benefits	25,211	23,368	48,579	-
Total Long-Term Obligations	<u>418,976</u>	<u>2,124,475</u>	<u>2,543,450</u>	<u>-</u>
Total Liabilities	467,503	2,559,573	3,027,076	225,157
DEFERRED INFLOWS OF RESOURCES				
Pension Related Amounts	136,445	131,812	268,257	-
Other Postemployment Related Amounts	14,702	13,627	28,329	-
Total Deferred Inflows of Resources	<u>151,147</u>	<u>145,439</u>	<u>296,586</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	3,190,094	5,037,385	8,227,479	-
Restricted for Debt Service	-	412,000	412,000	-
Unrestricted	806,473	70,012	876,485	(69,776)
Total Net Position	<u>\$ 3,996,567</u>	<u>\$ 5,519,397</u>	<u>\$ 9,515,964</u>	<u>\$ (69,776)</u>

See accompanying Notes to Basic Financial Statements.

CITY OF RIPON, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Water Utility	Totals	
OPERATING REVENUES				
Charges for Services	\$ 1,623,992	\$ 1,356,780	\$ 2,980,772	\$ 1,129,070
Other	54	16,942	16,996	-
Total Operating Revenues	<u>1,624,046</u>	<u>1,373,722</u>	<u>2,997,768</u>	<u>1,129,070</u>
OPERATING EXPENSES				
Operation and Maintenance	1,281,114	1,036,743	2,317,857	1,017,605
Depreciation	147,507	207,771	355,278	-
Taxes	-	20,200	20,200	-
Total Operating Expenses	<u>1,428,621</u>	<u>1,264,714</u>	<u>2,693,335</u>	<u>1,017,605</u>
OPERATING INCOME (LOSS)	195,425	109,008	304,433	111,465
NONOPERATING REVENUES (EXPENSES)				
Interest Income	2,135	4,289	6,424	-
Interest and Fiscal Charges	(8,075)	(34,121)	(42,196)	-
Amortization of Debt Discount/Premium	-	3,528	3,528	-
Total Nonoperating Expenses	<u>(5,940)</u>	<u>(26,304)</u>	<u>(32,244)</u>	<u>-</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	189,485	82,704	272,189	111,465
Capital Contributions	143,540	639,512	783,052	-
Transfers In	36,874	82,492	119,366	-
Transfers Out	<u>(24,446)</u>	<u>(151,977)</u>	<u>(176,423)</u>	<u>-</u>
CHANGE IN NET POSITION	345,453	652,731	998,184	111,465
Net Position - Beginning of Year	<u>3,651,114</u>	<u>4,866,666</u>	<u>8,517,780</u>	<u>(181,241)</u>
NET POSITION - END OF YEAR	<u>\$ 3,996,567</u>	<u>\$ 5,519,397</u>	<u>\$ 9,515,964</u>	<u>\$ (69,776)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024**

	Enterprise Funds		Totals	Governmental Activities - Internal Service Fund
	Wastewater Utility	Water Utility		
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,596,445	\$ 1,343,629	\$ 2,940,074	\$ 1,129,070
Cash Paid for Employee Wages and Benefits	(489,312)	(517,154)	(1,006,466)	-
Cash Paid to Suppliers	(906,091)	(550,574)	(1,456,665)	(1,017,605)
Net Cash Provided (Used) by Operating Activities	<u>201,042</u>	<u>275,901</u>	<u>476,943</u>	<u>111,465</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to/from Other Funds	-	-	-	43,916
Transfer In	36,874	82,492	119,366	-
Transfer Out	(24,446)	(151,977)	(176,423)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>12,428</u>	<u>(69,485)</u>	<u>(57,057)</u>	<u>43,916</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(63,925)	(151,361)	(215,286)	-
Principal Paid on Long-Term Debt	(28,602)	(392,369)	(420,971)	-
Interest Paid on Long-Term Debt	(8,272)	(35,030)	(43,302)	-
Net Cash Used by Capital and Related Financing Activities	<u>(100,799)</u>	<u>(578,760)</u>	<u>(679,559)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	<u>2,135</u>	<u>4,289</u>	<u>6,424</u>	<u>-</u>
CHANGE IN CASH AND CASH EQUIVALENTS	114,806	(368,055)	(253,249)	155,381
Cash and Cash Equivalents - Beginning of Year	<u>291,179</u>	<u>848,246</u>	<u>1,139,425</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 405,985</u></u>	<u><u>\$ 480,191</u></u>	<u><u>\$ 886,176</u></u>	<u><u>\$ 155,381</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Water Utility	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 195,425	\$ 109,008	\$ 304,433	\$ 111,465
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	147,507	207,771	355,278	-
Depreciation Charged to Water Utility	(12,857)	12,857	-	-
TID Contributed Operating Expense	-	-	-	-
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:				
Deferred Outflows - Pension Related	135,471	126,799	262,270	-
Deferred Outflows - OPEB Related	272	208	480	-
Net Pension Liability	(72,294)	(67,876)	(140,170)	-
Net Other Postemployment Benefits	3,716	3,542	7,258	-
Deferred Inflows - Pension Related	(68,442)	(62,007)	(130,449)	-
Deferred Inflows - OPEB Related	(3,443)	(3,109)	(6,552)	-
Change in Operating Assets and Liabilities:				
Accounts Receivables	(27,601)	(30,093)	(57,694)	-
Prepaid Supplies and Items	(9,426)	(6,051)	(15,477)	-
Accounts Payable	(92,136)	(23,423)	(115,559)	-
Accrued and Other Current Liabilities	3,945	6,017	9,962	-
Compensated Absences	905	2,258	3,163	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 201,042</u>	<u>\$ 275,901</u>	<u>\$ 476,943</u>	<u>\$ 111,465</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and Cash Equivalents in Current Assets	\$ 405,985	\$ 68,191	\$ 474,176	\$ 155,381
Cash and Cash Equivalents in Restricted Assets	-	412,000	412,000	-
Total Cash and Cash Equivalents	<u>\$ 405,985</u>	<u>\$ 480,191</u>	<u>\$ 886,176</u>	<u>\$ 155,381</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Assets Contributed by City	\$ 143,540	\$ 639,512	\$ 783,052	\$ -

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024**

ASSETS

Current Assets:

Cash and Investments

\$ 2,163,919

Receivables:

Taxes

4,421,402

Total Assets

6,585,321

DEFERRED INFLOWS

Property Taxes Levied for Subsequent Year

6,504,335

NET POSITION

Restricted

\$ 80,986

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2024**

ADDITIONS

Taxes and Special Charges Collected \$ 6,779,971

DEDUCTIONS

Payments to Others 6,720,975

CHANGE IN NET POSITION

58,996

Net Position - Beginning of Year

21,990

NET POSITION - END OF YEAR

\$ 80,986

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2024**

	Business Improvement District	Ripon Area Fire District	Totals
ASSETS			
Cash and Investments	\$ 5,533	\$ 191,340	\$ 196,873
Receivables:			
Taxes and Special Charges	68,830	-	68,830
Accounts	-	67,709	67,709
Restricted Assets:			
Cash and Investments	-	31,355	31,355
Capital Assets, Nondepreciable	-	191,254	191,254
Capital Assets, Depreciable, Net	-	1,930,184	1,930,184
Total Assets	74,363	2,411,842	2,486,205
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	-	65,936	65,936
LIABILITIES			
Accounts Payable	-	18,888	18,888
Accrued and Other Current Liabilities	-	8,079	8,079
Long-Term Obligations:			
Net Pension Liability	-	7,899	7,899
Total Liabilities	-	34,866	34,866
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	68,830	-	68,830
Pension Related Amounts	-	42,911	42,911
Total Deferred Inflows of Resources	68,830	42,911	111,741
NET POSITION			
Net Investment in Capital Assets	-	2,121,438	2,121,438
Restricted for Future Equipment Purchases	-	31,355	31,355
Unrestricted (Deficit)	5,533	247,208	252,741
Total Net Position	\$ 5,533	\$ 2,400,001	\$ 2,405,534

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2024**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Business Improvement District	Ripon Area Fire District	Totals
Business Improvement District	\$ 65,764	\$ -	\$ 70,914	\$ 5,150	\$ -	\$ 5,150
Ripon Area Fire District	655,213	530,777	-	-	(124,436)	(124,436)
Total Component Units	<u>\$ 720,977</u>	<u>\$ 530,777</u>	<u>\$ 70,914</u>	5,150	(124,436)	(119,286)
GENERAL REVENUES						
Interest and Investment Earnings				194	1,472	1,666
Miscellaneous				-	22,878	22,878
Total General Revenues				<u>194</u>	<u>24,350</u>	<u>24,544</u>
CHANGE IN NET POSITION				5,344	(100,086)	(94,742)
Net Position - Beginning of Year				<u>189</u>	<u>2,500,087</u>	<u>2,500,276</u>
NET POSITION - END OF YEAR				<u>\$ 5,533</u>	<u>\$ 2,400,001</u>	<u>\$ 2,405,534</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Ripon, Wisconsin (the City), 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 City are described below:

A. Reporting Entity

The City is a municipal corporation governed by a nine-member board elected. In accordance with U.S. GAAP, the basic financial statements are required to include the City and any separate component units that have a significant operational or financial relationship with the City. The City has identified the following component units that are required to be included in the basic financial statements.

Business Improvement District (BID)

The BID, created under the provisions of Wisconsin Statute Section 66.1109, is a discretely presented component unit with a separate board appointed by the City Council. The purpose of the BID is to allow businesses within the district boundaries to develop, manage, and promote the district and to establish an assessment method to finance these activities. The BID has its own independent budgetary authority and borrowing capabilities. However, the City can impose its will on the BID. The BID financial information is presented for the fiscal year ended December 31, 2024. The BID does not issue a separate complete set of financial statements.

Ripon Area Fire District

The City is a participant with the Town of Ripon and the Town of Nepeuskun in the Ripon Area Fire District. The District provides fire protection services to the entire City and Town of Ripon and to a portion of the Town of Nepeuskun. The municipalities are obligated, by agreement, to finance operating and capital costs of the District. The City's operating appropriation to the District for the year ended December 31, 2024, was \$339,689.

The District is governed by a seven-member board, four from the City, two from the Town of Ripon and one from the Town of Nepeuskun. The members must be elected officials of each municipality and are selected by the respective governing bodies. The District is a discretely presented component unit of the City because the controlling membership of the Board is appointed by the City Council. Complete financial statements for the Ripon Area Fire District can be obtained from their office at 515 Aspen Street, Ripon, WI 54971.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. 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 City and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service, and capital projects funds. Proprietary funds include enterprise and internal service funds.

Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental and enterprise funds:

General Fund

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

TID No. 11 Downtown Business Fund

This fund is used to account for the project plan costs of the City's Tax Incremental District No. 11.

TID No. 7 Hwy 44/49S

This fund is used to account for the project plan costs of the City's Tax Incremental District No. 7.

General Debt Service Fund

This fund is used to account for debt related proceeds and expenditures of the City.

General Capital Projects

This fund is used to account for capital related expenditures of the City.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Wastewater Utility Fund

This fund is used to account for the operations of the City's wastewater utility.

Water Utility Fund

This fund accounts for the operations of the City's water utility.

The City also reports the following fiduciary funds.

Custodial Funds

The City accounts for assets held for individuals or other governmental agencies in two custodial funds. The tax collection custodial fund accounts for property taxes and special charges collected on behalf of other governments. The FF/NN Landfill custodial fund accounts for the activity of the other parties in a shared landfill.

Additionally, the City reports the following fund type:

Internal Service Fund

The fund accounts for health insurance services provided to other departments of the City.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 120 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, including lease liabilities, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and wastewater functions, and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

D. 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. 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.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Property Taxes and Special Charges/Receivable

Property taxes and special charges consist of taxes on real estate, personal property, and user charges assessed against City 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 City. Special charges not paid by January 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

In addition to its levy, the City also levies and collects taxes for the Ripon School District, Fond du Lac County, and Moraine Park Technical College.

3. Accounts Receivable

General accounts receivable have been adjusted for all known uncollectible accounts. No allowance is necessary at year-end. The Emergency Medical Services receivable has been shown net of \$402,109 which represents uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made in the accompanying enterprise fund financial statements because the wastewater and water utilities have the right by law to place delinquent bills on the tax roll.

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2024 tax roll are recognized as revenue in 2025.) Special assessments are subject to collection procedures.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Loans Receivable

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. 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. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

6. 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. Noncurrent portions of the interfund receivables for the general fund for temporary cash advances is offset by the nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation. Noncurrent portions of the interfund receivables for the general fund for cash advances are reported as “advances to other funds”.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

7. Prepaid Supplies and Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid supplies and items and are expensed in the periods benefitted.

Prepaid supplies and items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of one year. Such assets, except intangible right-to-use lease assets, the measurement of which is discussed in Note 1.D.12 below, 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 City are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years	
	Governmental Activities	Business-Type Activities
Land Improvements	7 to 39	25 to 50
Buildings and Improvements	39	25 to 50
Machinery and Equipment	3 to 7	3 to 10
Infrastructure	15 to 50	25 to 100
Right-to-Use Machinery and Equipment	3 to 7	-

9. Compensated Absences

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

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net assets 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.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments, loan receivables, and interest on advances. These inflows are recognized as revenues in the government-wide financial statements.

11. Long-Term Obligations

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

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

12. Leases

The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements based on the criteria dictated in GASB Statement No. 87, *Leases*.

At the commencement of a lease, the City determines based on the criteria dictated in GASB Statement No. 87, *Leases*, if the lease is a financed purchased or a lease liability. Then the City 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 liabilities are reported with the long-term obligations on the statement of net position.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Leases (Continued)

An intangible right-to-use 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. The intangible right-to-use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to-use lease asset is reported with the City's capital assets in its own category called Leases Assets (Right-to-Use).

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

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the leases. Leases payments included in the measurement of the lease liability are composed of fixed payments and purchases option price that the City is reasonably certain to exercise.

The City has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as leases liabilities or right-to-use lease assets on the statements of net position.

The City accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the City treats the components as a single lease unit.

The City monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Pensions

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the 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 benefit terms. Investments are reported at fair value.

14. Other Postemployment Benefits Other Than Pensions (OPEB)

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense (revenue). 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.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Fund Equity

Governmental Fund Financial Statements

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

Nonspendable Fund Balance – Amounts that are not in spendable form (such as prepaid supplies and 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 City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.

Assigned Fund Balance – Amounts that are constrained for specific purposes by action of City management. The City Council has not authorized a specific employee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

Unassigned Fund Balance – Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City 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 and Proprietary Fund Statements

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

Net Investment in Capital Assets – Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

Restricted Net Position – Amount of net position that is subject to restrictions that are imposed by: 1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Fund Equity (Continued)

Government-Wide and Proprietary Fund Statements (Continued)

Unrestricted Net Position – Net position that is neither classified as restricted nor as net investment in capital assets.

E. 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.

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

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

1. During October, City management submits to the City Council 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 City Council action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

General Fund expenditures exceeded budget by \$458,153 for the year ended December 31, 2024.

B. Deficit Fund Equity

The following funds had a deficit fund balance as of December 31, 2024:

Funds	Deficit Fund Balance
Special Revenue Fund:	
Taxi Fund	\$ 338,761
CDBG Revolving Loan	7,578
Recycling Fund	33,430
Capital Projects Funds:	
General Capital Projects	759,325
TID No. 7	1,094,266
TID No. 15	355,650
Internal Service Funds:	
Health Insurance	69,776

The general capital projects fund deficit will be funded with tax levy, debt proceeds, or transfers from the general fund. The special revenue funds will be funded with future charges for services or transfers from the general fund. The TID deficits are anticipated to be funded with future incremental taxes levied over the life of the districts.

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 2024 and 2025 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2024 budget was 0.57%. The actual limit for the City for the 2025 budget was 1.04%. 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.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The City 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 City's cash and investments totaled \$13,280,883 on December 31, 2024, as summarized below:

Petty Cash and Cash on Hand	\$	1,010
Deposits with Financial Institutions		9,426,619
Investments:		
Beneficial Interest in Investments Held by Oshkosh Area Community Foundation		1,245,766
Money Market		303,851
Negotiable Certificates of Deposit		2,296,828
Wisconsin Local Government Investment Pool		6,809
Total		<u>\$ 13,280,883</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	10,699,431
Restricted Cash and Investments		412,000
Fiduciary Fund Statement of Net Position:		
Cash and Investments		2,163,919
Component Unit - Business Improvement District:		
Cash and Investments		5,533
Total		<u>\$ 13,280,883</u>

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Fair Value Measurements

The City 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; and Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2024:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
Negotiable Certificates of Deposit	\$ -	\$ 2,296,828	\$ -
Beneficial Interest in the Community Foundation	-	-	1,245,766
Total	\$ -	\$ 2,296,828	\$ 1,245,766

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City'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 City 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 \$1,000,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

As of December 31, 2024, \$7,278,855 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. \$7,278,855 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the City's name.

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
Negotiable Certificates of Deposit Wisconsin Local Government Investment Pool	\$ 2,296,828	-	-	-	\$ 2,296,828
	6,809	-	-	-	6,809
Totals	<u>\$ 2,303,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,303,637</u>

Interest Rate Risk

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

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City'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
Negotiable Certificates of Deposit Wisconsin Local Government Investment Pool	\$ 2,296,828	-	\$ 486,918	\$ 1,562,643	\$ 247,267
	6,809	6,809	-	-	-
Totals	<u>\$ 2,303,637</u>	<u>\$ 6,809</u>	<u>\$ 486,918</u>	<u>\$ 1,562,643</u>	<u>\$ 247,267</u>

**CITY OF RIPON, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Investment in Wisconsin's Local Government Investment Pool

The City has investments in the Wisconsin Local Government Investment Pool of \$6,809 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2024, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

Beneficial Interest in Investments Held by Community Foundation

Beneficial interest in investments held by Community Foundation represents amounts held at the Oshkosh Area Community Foundation, Inc. for the Ripon Public Library and the City of Ripon. These investments are the legal assets of the Foundation with the restriction that the

Foundation make distributions to Ripon Public Library, in accordance with its spending policy.

B. Restricted Assets

Restricted assets on December 31, 2024, totaled \$412,000 and consisted of cash and investments held for the following purposes:

<u>Funds</u>	<u>Amount</u>	<u>Purpose</u>
Enterprise Funds:		
Water Utility:		
Debt Reserve	<u>\$ 412,000</u>	To reserve additional funds for debt retirement

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 1,047,877	\$ -	\$ -	\$ 1,047,877
Construction in Progress	190,287	1,300,022	22,950	1,467,359
Total Capital Assets, not Being Depreciated	1,238,164	1,300,022	22,950	2,515,236
Capital Assets, Depreciable and Amortizable:				
Land Improvements	764,068	-	-	764,068
Buildings and Improvements	7,220,286	-	-	7,220,286
Machinery and Equipment	5,632,021	230,070	471,864	5,390,227
Infrastructure	27,087,664	1,125,756	30,168	28,183,252
Right-to-Use Assets, Machinery and Equipment	193,366	406,187	-	599,553
Subtotal	40,897,405	1,762,013	502,032	42,157,386
Less Accumulated Depreciation and Amortization for:				
Land Improvements	646,530	6,079	-	652,609
Buildings and Improvements	3,368,303	157,341	-	3,525,644
Machinery and Equipment	4,584,508	306,929	471,864	4,419,573
Infrastructure	14,540,834	555,534	30,168	15,066,200
Right-to-Use Assets, Machinery and Equipment	64,946	111,733	-	176,679
Subtotal	23,205,121	1,137,616	502,032	23,840,705
Total Capital Assets, Depreciable, Net	17,692,284	624,397	-	18,316,681
Governmental Activities Capital Assets, Net	\$ 18,930,448	\$ 1,924,419	\$ 22,950	20,831,917
Less: Capital Related Debt and Accounts Payable				13,033,821
Less: Debt Premium				155,466
Net Investment in Capital Assets				\$ 7,642,630

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 173,312	\$ -	\$ -	\$ 173,312
Construction in Progress	66,927	466,756	-	533,683
Total Capital Assets, Nondepreciable	240,239	466,756	-	706,995
Capital Assets, Depreciable:				
Buildings and Improvements	8,093,442	-	-	8,093,442
Machinery and Equipment	5,537,219	181,389	5,895	5,712,713
Infrastructure	16,442,040	350,193	6,676	16,785,557
Subtotal	30,072,701	531,582	12,571	30,591,712
Less Accumulated Depreciation for:				
Buildings and Improvements	7,808,204	18,004	-	7,826,208
Machinery and Equipment	5,075,137	35,941	4,495	5,106,583
Infrastructure	7,396,992	301,333	8,076	7,690,249
Subtotal	20,280,333	355,278	12,571	20,623,040
Total Capital Assets, Depreciable, Net	9,792,368	176,304	-	9,968,672
Business-Type Activities Capital Assets, Net	\$ 10,032,607	\$ 643,060	\$ -	10,675,667
Less: Capital Related Debt and Accounts Payable				2,439,716
Less: Debt Premium				8,472
Net Investment in Capital Assets				\$ 8,227,479

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

Governmental Activities:	
General Government	\$ 41,509
Public Safety	121,062
Public Works	837,012
Culture and Recreation	138,033
Total Depreciation/Amortization Expense - Governmental Activities	\$ 1,137,616
Business-Type Activities:	
Wastewater Utility	\$ 147,507
Water Utility	207,771
Total Depreciation Expense - Business-Type Activities	\$ 355,278

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2024, are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary Cash Advances to Finance Operating		
Cash Deficits:		
General Fund	\$ 1,252,077	\$ -
Capital Project Funds:		
TID No. 7	-	484,711
TID No. 15	-	196,381
Special Revenue Funds:		
Taxi	-	317,533
CDBG Revolving Loan	-	7,578
Recycling Fund	-	20,717
Enterprise Funds:		
Health Insurance ISF	-	225,157
Total	<u>\$ 1,252,077</u>	<u>\$ 1,252,077</u>

Advances to and advances from between individual funds of the City, as reported in the fund financial statements, as of December 31, 2024, are detailed below:

	<u>Advance From</u>	<u>Advance To</u>
Cash Advances to Finance TIF		
Project Expenditures:		
General Fund	\$ 539,109	\$ -
Capital Project Funds:		
TID No. 7		557,015
TID No. 14	158,234	
TID No. 15		140,328
Subtotal	<u>697,343</u>	<u>697,343</u>
Cash Advances to Finance Enterprise		
Project Expenditures:		
General Fund	-	3,678
Enterprise Funds:		
Wastewater Utility	1,662	-
Water Utility	2,016	-
Total	<u>\$ 701,021</u>	<u>\$ 701,021</u>

The advances above do not have a repayment schedule as of December 31, 2024.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

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

Fund	Transfer In	Transfer Out
General	\$ 155,000	\$ -
Special Revenue:		
City Revolving Loans	207,277	-
Capital Projects:		
General Capital Projects	150,000	-
TID No. 4	53	-
TID No. 5	-	207,277
TID No. 6	-	402,956
TID No. 9	-	97,943
TID No. 11	724,838	150,000
TID No. 12	-	209,107
TID No. 14	-	112,828
Enterprise:		
Wastewater Utility	36,874	24,446
Water Utility	82,492	151,977
Total	<u>\$ 1,356,534</u>	<u>\$ 1,356,534</u>

Interfund transfers were made for the following purposes:

Transfer from Wastewater Utility to General for Transfer of Revenues	\$ 3,023
Tax Equivalent Payment Made by Water Utility to General Fund	151,977
Capital projects funding	150,000
Debt Service	119,366
TID No. 5 to City Revolving Loans for Housing Extension	207,277
TID No. 11 for Increment Sharing	724,891
Total	<u>\$ 1,356,534</u>

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2024:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 6,430,000	\$ -	\$ 925,000	\$ 5,505,000	\$ 980,000
Notes	1,880,026	-	755,027	1,124,999	120,000
Direct Borrowings	1,982,242	5,415,000	562,976	6,834,266	563,338
Total General Obligation Debt	10,292,268	5,415,000	2,243,003	13,464,265	1,663,338
Debt Premium	213,242	-	57,776	155,466	-
Lease Liability	132,492	356,188	121,418	367,262	123,654
Compensated Absences	277,023	2,523	-	279,546	69,887
Governmental Activities Long-Term Obligations	<u>\$ 10,915,025</u>	<u>\$ 5,773,711</u>	<u>\$ 2,422,197</u>	<u>\$ 14,266,539</u>	<u>\$ 1,856,879</u>
Business-Type Activities:					
Revenue Bonds from					
Direct Borrowings	\$ 1,117,687	\$ -	\$ 75,971	\$ 1,041,716	\$ 77,517
Revenue Bonds	2,155,000	-	345,000	1,810,000	355,000
Debt Premium	12,000	-	3,528	8,472	-
Compensated Absences	19,520	3,163	-	22,683	5,671
Business-Type Activities Long-Term Obligations	<u>\$ 3,304,207</u>	<u>\$ 3,163</u>	<u>\$ 424,499</u>	<u>\$ 2,882,871</u>	<u>\$ 438,188</u>

(1) The change in the compensated absence liability is presented as a net change

Total interest paid during the year on long-term debt totaled \$335,935.

Bank Notes

The City's outstanding notes from direct borrowings related to the governmental activities of \$6,501,491 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

State Trust Fund Loan

The City's outstanding notes from direct borrowings related to the governmental activities of \$332,775 are subject to a statutory provision that in an event of late or nonpayment, a 1% per month penalty will be charged and the payment will be collected through a reduction in payments from the state of Wisconsin.

Clean Water Fund Loan Program

The City's outstanding revenue bonds from direct borrowings related to business-type activities of \$1,041,716 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/24
State Trust Fund Loan (Direct Borrowing)	12/3/12	3/15/30	3.75%	\$ 1,183,000	\$ 332,775
General Obligation Bond	7/1/15	10/1/32	3.00 - 3.25%	4,860,000	1,260,000
General Obligation Refunding Bond	9/19/19	8/1/30	2.10 - 2.50%	3,075,000	2,185,000
General Obligation Note (Direct Borrowing)	2/26/20	2/26/25	3.05%	1,150,000	244,023
General Obligation Note (Direct Borrowing)	2/26/20	2/26/27	3.05%	561,000	474,032
General Obligation Note (Direct Borrowing)	5/19/21	5/19/26	2.50%	260,000	107,871
General Obligation Note (Direct Borrowing)	5/19/21	5/19/28	2.80%	315,000	278,107
General Obligation Refunding Bond	2/4/21	4/1/32	1.00 - 3.00%	2,770,000	2,060,000
General Obligation Note (Direct Borrowing)	11/2/22	11/2/25	4.80%	188,000	65,661
General Obligation Note	10/11/23	12/1/33	4.00 - 5.00%	1,195,000	1,125,000
General Obligation Note (Direct Borrowing)	5/10/24	11/10/28	5.92%	415,000	331,796
General Obligation Note (Direct Borrowing)	10/9/24	10/9/26	4.75%	5,000,000	5,000,000
Total Outstanding General Obligation Debt					<u>\$ 13,464,265</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$13,464,265 on December 31, 2024, are detailed below:

Year Ending December 31,	Governmental Activities					
	Bonded		Direct Borrowing		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,100,000	\$ 428,975	\$ 563,338	\$ 47,237	\$ 1,663,338	\$ 476,212
2026	1,050,000	391,870	5,263,920	31,707	6,313,920	423,577
2027	915,000	118,249	562,568	25,803	1,477,568	144,052
2028	825,000	87,249	366,847	11,048	1,191,847	98,297
2029	830,000	51,700	39,973	2,910	869,973	54,610
2030 - 2033	1,909,999	78,275	37,620	1,411	1,947,619	79,686
Total	<u>\$ 6,629,999</u>	<u>\$ 1,156,318</u>	<u>\$ 6,834,266</u>	<u>\$ 120,116</u>	<u>\$ 13,464,265</u>	<u>\$ 1,276,434</u>

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2024, was \$18,307,025 as follows:

Equalized Valuation of the City	\$ 635,425,800
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	31,771,290
Total Outstanding General Obligation Debt Applicable to Debt Limitation	13,464,265
Legal Margin for New Debt	\$ 18,307,025

Revenue Bonds

Revenue bonds outstanding on December 31, 2024, totaled \$2,851,716 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/24
Water System Revenue Bonds State of Wisconsin	3/23/21	5/1/29	1.00 - 1.20%	\$ 2,850,000	\$ 1,810,000
Fund Loan (Direct Borrowing) State of Wisconsin Clean Water	7/27/22	5/1/36	2.035%	743,324	649,530
Fund Loan (Direct Borrowing)	7/27/22	5/1/36	2.035%	448,819	392,186
Total Outstanding Revenue Bonds					\$ 2,851,716

Annual principal and interest maturities of the outstanding revenue bonds of \$2,851,716 on December 31, 2024, are detailed below:

Year Ending December 31,	Business-Type Activities				Totals	
	Bonded		Direct Borrowing		Principal	Interest
	Principal	Interest	Principal	Interest		
2025	\$ 355,000	\$ 17,430	\$ 77,517	\$ 20,410	\$ 432,517	\$ 37,840
2026	355,000	13,880	79,095	18,817	434,095	32,697
2027	365,000	10,280	80,705	17,191	445,705	27,471
2028	365,000	6,448	82,347	15,531	447,347	21,979
2029	370,000	2,220	84,023	13,839	454,023	16,059
2030 - 2034	-	-	446,466	42,572	446,466	42,572
2035 - 2036	-	-	191,563	3,918	191,563	3,918
Total	\$ 1,810,000	\$ 50,258	\$ 1,041,716	\$ 132,278	\$ 2,851,716	\$ 182,536

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Utility Revenues Pledged

The City has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay the water and wastewater system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from water and wastewater customer net revenues and are payable through 2036. The total principal and interest remaining to be paid on the bonds is \$3,034,252. Principal and interest paid for the current year and total customer net revenues were \$463,873 and \$666,135, respectively.

F. Leases Payable

The City leases twelve vehicles under long-term, noncancelable lease agreements. The leases expire at various dates through 2028.

Total principal and interest costs for such leases for governmental funds were \$141,329 for the year ended December 31, 2024. The future minimum lease payments for these agreements are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2025	\$ 123,654	\$ 22,223	\$ 145,877
2026	98,865	14,552	113,417
2027	74,365	8,498	82,863
2028	67,943	2,618	70,561
2029	2,435	5	2,440
Total	<u>\$ 367,262</u>	<u>\$ 47,896</u>	<u>\$ 415,158</u>

Right-to-use assets acquired through outstanding leases are shown in Note 3.C.

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, 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.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

1. Plan Description (Continued)

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://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 occupation employees and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled a retirement benefit, based on a formula factor, their final average earnings, and years of 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 employees may retire at or after age 55 (50 for protective occupation employees) and receive an actuarially reduced benefit. Participants terminating 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.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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>
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%
2022	7.4%	15.0%
2023	1.6%	-21.0%

3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including 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 remained of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the year ending December 31, 2024, the WRS recognized \$347,349 in contributions from the City.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

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

At December 31, 2024, the City reported a liability of \$346,749 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the City's proportion was 0.02332175%, which was a decrease of 0.00025433% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense of \$242,131.

At December 31, 2024, the City 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	\$ 1,398,089	\$ 1,851,777
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	1,208,365	-
Changes in Assumptions	151,138	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	7,466	1,614
Employer Contributions Subsequent to the Measurement Date	<u>347,349</u>	<u>-</u>
Total	<u>\$ 3,112,407</u>	<u>\$ 1,853,391</u>

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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)

\$347,349 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2025	\$ 187,371
2026	195,925
2027	760,202
2028	(231,831)
Total	\$ 911,667

5. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability:	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

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

Actuarial assumptions are based upon an experience study conducted in 2021 using experience 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.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

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	40.0%	7.3%	4.5%
Public Fixed Income	27.0%	5.8%	3.0%
Inflation Sensitive	19.0%	4.4%	1.7%
Real Estate	8.0%	5.8%	3.0%
Private Equity/Debt	18.0%	9.6%	6.7%
Leverage	-12.0%	3.7%	1.0%
Total Core Fund	100.0%	7.4%	4.6%
Variable Fund Asset:			
U.S. Equities	70.0%	6.8%	4.0%
International Equities	30.0%	7.6%	4.8%
Total Variable Fund	100.0%	7.3%	4.5%

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

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City’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 (5.80% or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City’s Proportionate Share of the Net Pension Liability (Asset)	\$ 3,351,498	\$ 346,749	\$ (1,755,800)

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

6. Payables to the Pension Plan

At December 31, 2024, the City reported a payable of \$47,875 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2024.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits

Local Retiree Life Insurance Fund

Plan Description

The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position

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

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

Benefits Provided

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

Contributions

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

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

Contribution rates as of December 31, 2024, are:

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

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

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, 2023		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
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

During the reporting period, the LRLIF recognized \$1,504 in contributions from the employer.

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

At December 31, 2024, the City reported a liability of \$326,182 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the City's proportion was 0.07089900%, which was an increase of 0.0026100% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized OPEB expense of \$21,107.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 28,867
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	4,406	-
Changes in Assumptions	102,032	128,443
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	12,594	32,905
Total	<u>\$ 119,032</u>	<u>\$ 190,215</u>

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

<u>Year Ending December 31,</u>	<u>Expense</u>
2025	\$ (7,224)
2026	(1,191)
2027	(15,039)
2028	(27,506)
2029	(24,140)
Thereafter	3,917
Total	<u>\$ (71,183)</u>

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

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

Actuarial Assumptions – The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*:	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

* Based on the Bond Buyers GO 20-Bond Municipal 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, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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 best estimates of geometric real rate of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return %</u>
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	40%	2.32%
U.S. Mortgages	Bloomberg US	60%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Single Discount Rate – A single discount rate of 3.32 % was used to measure the total OPEB liability, for the current year as opposed to a discount rate of 3.76% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive 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 projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the City’s Proportionate Share of Net OPEB Liability (Asset) to Changes in the Discount Rate – The following presents the City’s proportionate share of the net OPEB liability calculated using the discount rate of 3.32%, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32%) or 1-percentage-point higher (4.32%) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
City’s Proportionate Share of the Net OPEB Liability (Asset)	\$ 438,271	\$ 326,182	\$ 240,622

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan’s fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Payable to the OPEB Plan

At December 31, 2024, the City did not report a payable for the outstanding amount of contribution to the Plan required for the year ended December 31, 2024.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either: 1) not in spendable form, or 2) legally or contractually required to be maintained intact. At December 31, 2024, nonspendable fund balance was as follows:

General Fund:	
Nonspendable:	
Advance to Other Funds	\$ 353,382
Prepaid Supplies and Items	<u>87,245</u>
Total General Fund Nonspendable Fund Balance	<u>440,627</u>
Special Revenue Funds:	
Nonspendable:	
Emergency Medical Services:	
Prepaid Supplies and Items	5,513
Library:	
Prepaid Supplies and Items	<u>1,660</u>
Total Special Revenue Fund	<u>7,173</u>
Nonspendable Fund Balance	<u>7,173</u>
Total Nonspendable Fund Balance	<u><u>\$ 447,800</u></u>

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity (Continued)

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2024, restricted fund balance was as follows:

Special Revenue Funds:	
Restricted for:	
CDBG Housing	\$ 38,894
Capital Projects Funds:	
Restricted for:	
TID No. 5	2,750
TID No. 9	463,261
TID No. 10	760,582
TID No. 11	3,704,694
TID No. 14	415,250
Debt Service Fund:	
Restricted for:	
Debt Service	<u>27,858</u>
Total Restricted Fund Balance	<u><u>\$ 5,413,289</u></u>

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2024, fund balance was committed as follows:

Special Revenue Funds:	
Committed for:	
Emergency Medical Services	\$ 360,949
Library	1,132,504
Community Promotion	244,963
Donations	130,161
City Revolving Loans	105,323
Equipment Replacement	46,387
Total Committed Fund Balance	<u><u>\$ 2,020,287</u></u>

**CITY OF RIPON, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity (Continued)

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2024, fund balance was assigned as follows:

General Fund:	
Assigned for Capital Projects	\$ 239,432
Assigned for Industrial Park Development	140,000
Total	<u>\$ 379,432</u>

Minimum General Fund Balance Policy

The City has also adopted a minimum fund balance policy of 20% of the general funds operating revenues. 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 Operating Revenues	\$ 6,342,365
Minimum Fund Balance %	(x) 20%
Minimum Fund Balance Amount	<u>\$ 1,268,473</u>

The City's unassigned general fund balance of \$1,311,703 is above the minimum fund balance amount.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION

A. Component Units

This report contains financial information for the City of Ripon Business Improvement District (BID) and the Ripon Area Fire District (District), which are included as component units. Financial information is presented in separate columns in the statement of net position and the statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation of their financial information.

City of Ripon Business Improvement District

1. Basis of Accounting/ Measurement Focus

The BID follows the modified accrual basis of accounting and the flow of current financial resources measurement focus.

2. Cash and Investments

The BID's cash is commingled with the City's cash and consisted entirely of deposits with financial institutions.

Ripon Area Fire District

1. Cash and Investments

At year-end, the carrying amount of the District's deposits was \$222,596 and the bank balance was \$244,398 and fully insured by federal depository insurance limits. In addition, the District maintained \$100 in petty cash funds. These amounts are not included in the totals presented in Note 3.A.

2. Pension

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

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

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

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Ripon Area Fire District (Continued)

3. Capital Assets

A summary of changes in capital assets of the District follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Nondepreciable:				
Land	\$ 191,254	\$ -	\$ -	\$ 191,254
Capital Assets, Depreciable:				
Buildings	1,724,010	-	-	1,724,010
Machinery and Equipment	3,217,081	98,997	25,790	3,290,288
Subtotal	4,941,091	98,997	25,790	5,014,298
Less Accumulated Depreciation for:				
Buildings	651,179	42,300	-	693,479
Machinery and Equipment	2,306,570	109,855	25,790	2,390,635
Subtotal	2,957,749	152,155	25,790	3,084,114
Total Capital Assets, Depreciable, Net	1,983,342	(53,158)	-	1,930,184
Capital Assets, Net	\$ 2,174,596	\$ (53,158)	\$ -	2,121,438
Net Investment in Capital Assets				\$ 2,121,438

4. Pension Plan - Ripon Area Fire District (Component Unit)

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, 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.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Ripon Area Fire District (Continued)

4. Pension Plan - Ripon Area Fire District (Component Unit) (Continued)

Plan Description (Continued)

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://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 a retirement benefit, based on a formula factor, their final average earnings, and years of 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 employees may retire at or after age 55 (50 for protective occupation employees) and receive an actuarially reduced benefit. Participants terminating 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.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Ripon Area Fire District (Continued)

4. Pension Plan - Ripon Area Fire District (Component Unit) (Continued)

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>
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%
2022	7.4%	15.0%
2023	1.6%	-21.0%

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, Executives and Elected Officials. 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 existing collective bargaining agreement.

During the year ending December 31, 2024, the WRS recognized \$3,093 in contributions from the District.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Ripon Area Fire District (Continued)

4. Pension Plan - Ripon Area Fire District (Component Unit) (Continued)

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)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

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

At December 31, 2024, the District reported a liability of \$7,899 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.00053131%, which was an decrease of 0.00020759% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the District recognized pension expense of \$5,210.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Ripon Area Fire District (Continued)

4. Pension Plan - Ripon Area Fire District (Component Unit) (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 31,850	\$ 42,186
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	27,529	-
Changes in Assumptions	3,443	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	21	725
Employer Contributions Subsequent to the Measurement Date	3,093	-
Total	\$ 65,936	\$ 42,911

\$3,093 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31,	Expense
2025	\$ 4,008
2026	4,197
2027	17,091
2028	(5,364)
Total	\$ 19,932

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Ripon Area Fire District (Continued)

4. Pension Plan - Ripon Area Fire District (Component Unit) (Continued)

Actuarial Assumption

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

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability:	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

* *No postretirement adjustment is guaranteed. Actuarial 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.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Ripon Area Fire District (Continued)

4. Pension Plan - Ripon Area Fire District (Component Unit) (Continued)

Actuarial Assumption (Continued)

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	40.0%	7.3%	4.5%
Public Fixed Income	27.0	5.8%	3.0%
Inflation Sensitive	19.0	4.4%	1.7%
Real Estate	8.0	5.8%	3.0%
Private Equity/Debt	18.0	9.6%	6.7%
Leverage	-12.0	3.7%	1.0%
Total Core Fund	100.0%	7.4%	4.6%
Variable Fund Asset:			
U.S. Equities	70.0%	6.8%	4.0%
International Equities	30.0	7.6%	4.8%
Total Variable Fund	100.0%	7.3%	4.5%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.7%

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Ripon Area Fire District (Continued)

4. Pension Plan - Ripon Area Fire District (Component Unit) (Continued)

Actuarial Assumption (Continued)

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

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.80%) or 1-percentage point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 76,352	\$ 7,899	\$ (40,000)

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

Payable to the WRS

At December 31, 2024 the District reported a payable of \$1,289 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2024.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Tax Incremental Financing Districts

The City has established separate capital projects funds for ten Tax Incremental Districts (TID) which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the TIDs were created, the property tax base within the TID was “frozen” and increment taxes resulting from increases to the property tax base are used to finance TID improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date.

Since creation of the above TIDs, the City has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the City from any future excess tax increment revenues. As of December 31, 2024, the amounts the City can recover from future excess tax increment revenues are as follows:

	Recoverable Costs
TID No. 5	\$ (2,750)
TID No. 6	27,851
TID No. 7	1,568,500
TID No. 9	(463,261)
TID No. 10	(760,582)
TID No. 11	498,343
TID No. 12	(209,107)
TID No. 14	(113,078)
TID No. 15	355,650
Total	\$ 901,566

The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID No. 6	2025
TID No. 7	2027
TID No. 9	2029
TID No. 10	2029
TID No. 11	2036
TID No. 12	2034
TID No. 14	2036
TID No. 15	2044

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Tax Incremental Financing Districts (Continued)

To pay for a portion of the debt for each TID District, the City has incremental guarantees with the developers of the TID districts. The guarantees provide future arrangements that will allow for property value increases to help make the debt payments. All TID's have an increment guarantee with the developers with the exception of a portion of TID #11. The agreement for TID #6 was amended to include an annual guarantee payment in the amount of \$30,000.

C. Tax Abatements

The City has created tax incremental financing districts (the TIDs) in accordance with Wisconsin State Statute 66.1105, *Tax Increment Law*. As part of the project plan for the TIDs, the City entered into agreements with developers for a creation of tax base within the TIDs. The agreements require the City to make annual repayments of property taxes collected within the TIDs to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2024, the City abated property taxes totaling \$310,235 under this program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- A property tax abatement of \$56,697 to a developer for a press building and warehouse within the District.
- A property tax abatement of \$12,000 to a developer for senior apartments.
- A property tax abatement of \$199,655 to a developer for a warehouse within the District.
- A property tax abatement of \$30,583 to a developer for a warehouse/building addition within the District.
- A property tax abatement of \$11,300 to a developer for a brewery operation and restaurant addition within the District.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Risk Management

The City 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 City completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded coverage in any of the past three years.

E. Contingencies

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

From time to time, the City 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 the legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City of Ripon operated the FF/NN Landfill in prior years in the Town of Ripon. The City has been notified that the landfill has been placed on the National Priorities Cleanup List by the Environmental Protection Agency. Other potential responsible parties have been identified and the City's share of any liability has been estimated to be approximately 30% of the total. This matter is being handled under a contract with the Department of Natural Resources. The total cost for this project and the annual monitoring and testing costs have been estimated at \$2,175,477 through 2024. The City's share of amounts paid to date total \$653,410. Future costs beyond 2024 cannot be determined, but remain a potential liability to the City.

The City, along with other potential responsible parties, were directed by the state to investigate the Highway PP Landfill operated in prior years. The City has continued to work with other major industries to limit their exposure. They hired a consultant to do a limited investigation and study in an attempt to have this matter removed from the Department of Natural Resources (DNR) priority listing. The completed investigation was forwarded to the DNR in 2002, and to date, the City of Ripon has heard nothing further regarding this potential environmental issue. Total costs for this site and the City's respective share are not known.

**CITY OF RIPON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Change in Reporting Entity

The Tax incremental District #7 previously did not meet the criteria to be reported as a major governmental fund. However, effective December 31, 2024, this fund now meets the criteria to be reported as a major governmental fund and is reported as such for the fiscal year end December 31, 2024. The effect of this change to or within the financial reporting entity is shown in column C of the table below:

	January 1, 2024 as Previously Reported	Change to or Within the Financial Reporting Entity (C)	January 1, 2024 as Adjusted
Governmental Funds:			
Major Funds:			
General Fund	\$ 2,173,390	\$ -	\$ 2,173,390
Tax Incremental District #11	3,660,179	-	3,660,179
Tax Incremental District #7	-	(922,943)	(922,943)
General Debt Service	810,649	-	810,649
General Capital Projects	(2,717,000)	-	(2,717,000)
Nonmajor Funds	1,918,217	922,943	2,841,160
Total Governmental Funds	<u>\$ 5,845,435</u>	<u>\$ -</u>	<u>\$ 5,845,435</u>

G. Construction Commitment

The City has entered into a construction commitment in the amount of \$8,731,539 for the purpose of constructing a new department of public works facility. As of December 31, 2024, total expenses of \$1,331,354 have been incurred under the contract, leaving a remaining construction commitment of \$7,400,185 at year end.

H. Subsequent Event

On May 27, 2025, the City approved \$5,000,000 in General Obligation Promissory note interim financing. On August 25, 2025, the City approved \$4,000,000 in General Obligation Promissory note interim financing. The City approved the debt to be used for capital projects.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF RIPON, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST 10 MEASUREMENT PERIODS**

Measurement Period Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	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)
Primary Government					
12/31/14	0.02252273%	\$ (553,221)	\$ 2,755,563	20.08%	102.74%
12/31/15	0.02224933%	361,548	2,809,604	12.87%	98.20%
12/31/16	0.02225420%	183,428	2,846,351	6.44%	99.12%
12/31/17	0.02245102%	(666,598)	2,900,124	22.99%	102.93%
12/31/18	0.02285433%	813,085	3,034,875	26.79%	96.45%
12/31/19	0.02326753%	(750,251)	3,195,504	23.48%	102.96%
12/31/20	0.02376326%	(1,483,573)	3,374,316	43.97%	105.26%
12/31/21	0.02369522%	(1,909,878)	3,265,423	58.49%	106.02%
12/31/22	0.02357608%	1,248,990	3,311,672	37.71%	95.72%
12/31/23	0.02332175%	346,749	3,532,898	9.81%	98.85%
Component Unit - Ripon Area Fire District					
12/31/14	0.00066781%	\$ (16,403)	\$ 66,410	24.70%	102.74%
12/31/15	0.00064374%	10,461	67,812	15.43%	98.20%
12/31/16	0.00067534%	5,566	68,455	8.13%	99.12%
12/31/17	0.00069932%	(20,763)	71,821	28.91%	102.93%
12/31/18	0.00071727%	25,518	69,411	36.76%	96.45%
12/31/19	0.00072385%	(23,340)	69,349	33.66%	102.96%
12/31/20	0.00071834%	(44,846)	71,115	63.06%	105.26%
12/31/21	0.00070684%	(56,972)	68,168	83.58%	106.02%
12/31/22	0.00073890%	39,144	77,872	50.27%	95.72%
12/31/23	0.00053131%	7,899	31,157	25.35%	98.85%

See accompanying Notes to Required Supplementary Information.

**CITY OF RIPON, WISCONSIN
SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS**

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
Primary Government					
12/31/15	\$ 213,832	\$ 213,832	\$ -	\$ 2,809,604	7.61%
12/31/16	211,549	211,549	-	2,846,351	7.43%
12/31/17	231,865	231,865	-	2,900,124	8.00%
12/31/18	283,555	283,555	-	3,034,875	9.34%
12/31/19	245,930	245,930	-	3,195,504	7.70%
12/31/20	275,592	275,592	-	3,374,316	8.17%
12/31/21	270,880	270,880	-	3,265,423	8.30%
12/31/22	272,913	272,913	-	3,311,672	8.24%
12/31/23	312,510	312,510	-	3,532,898	8.85%
12/31/24	347,349	347,349	-	3,711,785	9.36%
Component Unit - Ripon Area Fire District					
12/31/15	\$ 6,442	\$ 6,442	\$ -	\$ 67,812	9.50%
12/31/16	6,435	6,435	-	68,455	9.40%
12/31/17	7,757	7,757	-	71,821	10.80%
12/31/18	7,613	7,613	-	69,411	10.97%
12/31/19	7,434	7,434	-	69,349	10.72%
12/31/20	8,349	8,349	-	71,115	11.74%
12/31/21	8,071	8,071	-	68,168	11.84%
12/31/22	9,376	9,376	-	77,872	12.04%
12/31/23	2,119	2,119	-	31,157	6.80%
12/31/24	3,093	3,093	-	44,831	6.90%

See accompanying Notes to Required Supplementary Information.

CITY OF RIPON, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 MEASUREMENT PERIODS

Measurement Period Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.07892000%	\$ 237,438	\$ 3,318,812	7.15%	44.81%
12/31/18	0.07190000%	185,526	2,839,000	6.53%	48.69%
12/31/19	0.07507500%	319,684	2,927,000	10.92%	37.58%
12/31/20	0.08070300%	443,925	3,181,000	13.96%	31.36%
12/31/21	0.07755200%	458,361	2,895,000	15.83%	29.57%
12/31/22	0.07063800%	269,119	3,152,000	8.54%	38.81%
12/31/23	0.07089900%	326,182	3,299,000	9.89%	33.90%

SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS

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	\$ 1,515	\$ 1,515	\$ -	\$ 2,839,000	0.05%
12/31/19	1,527	1,527	-	2,927,000	0.05%
12/31/20	1,638	1,638	-	3,181,000	0.05%
12/31/21	1,526	1,526	-	2,895,000	0.05%
12/31/22	1,420	1,420	-	3,152,000	0.05%
12/31/23	1,458	1,458	-	3,299,000	0.04%
12/31/24	1,504	1,504	-	3,711,785	0.04%

**CITY OF RIPON, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

NOTE 1 WISCONSIN RETIREMENT SYSTEM

The City 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.

Changes of Benefit Terms

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

Changes of Assumptions

Based on a three-year experience study conducted in 2021 covering January 1, 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.

**CITY OF RIPON, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

NOTE 2 LOCAL RETIREE LIFE INSURANCE FUND

The City 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.

Changes of Benefit Terms

There were no recent changes in benefit terms.

Changes of 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:

- 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.

SUPPLEMENTARY INFORMATION

**CITY OF RIPON, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Taxes:				
General Property	\$ 2,617,603	\$ 2,617,603	\$ 2,527,603	\$ (90,000)
Mobile Home	18,000	18,000	20,194	2,194
Interest and Taxes	200	200	-	(200)
Total Taxes	2,635,803	2,635,803	2,547,797	(88,006)
Special Assessments	25,000	25,000	988	(24,012)
Intergovernmental:				
State:				
State Shared Taxes	2,022,748	2,022,748	2,038,254	15,506
Fire Insurance Dues	22,000	22,000	24,965	2,965
Law Enforcement	17,000	17,000	22,326	5,326
Transportation	585,871	585,871	585,871	-
Connecting Highway Aid	96,905	96,905	113,462	16,557
Sanitation Grant	27,000	27,000	26,872	(128)
State Aid - Exempt Computer	26,467	26,467	26,467	-
State Aid - Other	120,422	120,422	90,857	(29,565)
Payment for Municipal Services	24,620	24,620	8,803	(15,817)
Total Intergovernmental	2,943,033	2,943,033	2,937,877	(5,156)
Licenses and Permits:				
Licenses:				
Liquor and Malt Beverage Operators, Cigarette, and Other Licenses	11,090	11,090	13,170	2,080
Cable Television Fees	12,325	12,325	11,920	(405)
Dog	85,000	85,000	94,027	9,027
	15,700	15,700	11,768	(3,932)
Permits:				
Building	55,000	55,000	85,041	30,041
Electrical Permits	4,200	4,200	9,718	5,518
Plumbing Permits	2,600	2,600	16,912	14,312
Heating and Air Conditioning Permits	3,000	3,000	21,187	18,187
Other Permits	14,500	14,500	15,294	794
Zoning Fees	2,000	2,000	2,190	190
Parking Permits	6,000	6,000	6,437	437
Total Licenses and Permits	211,415	211,415	287,664	76,249
Fines and Forfeits:				
Court Fines and Penalties	56,100	56,100	54,792	(1,308)
Parking Violations	25,000	25,000	26,526	1,526
Total Fines and Forfeits	81,100	81,100	81,318	218

**CITY OF RIPON, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Public Charges for Services:				
Garbage and Refuse Collection	\$ 15,000	\$ 15,000	\$ 18,627	\$ 3,627
Sale of Street Materials and Services	10,000	10,000	12,720	2,720
Other	11,400	11,400	10,731	(669)
Weed Control	1,000	1,000	4,372	3,372
Cemetery	32,450	32,450	33,904	1,454
Recreation Charges:	40,000	40,000	61,118	21,118
License Publication Fees	950	950	800	(150)
Police Department Fees	2,450	2,450	3,415	965
Fire Department Fees	35,000	35,000	45,370	10,370
Other Leisure Services	10,000	10,000	-	(10,000)
Total Public Charges for Services	<u>158,250</u>	<u>158,250</u>	<u>191,057</u>	<u>32,807</u>
Intergovernmental Charges for Services:				
Police Liaison	10,000	10,000	59,185	49,185
Public Works	50,000	50,000	-	(50,000)
Total Intergovernmental Charges for Services	<u>60,000</u>	<u>60,000</u>	<u>59,185</u>	<u>(815)</u>
Miscellaneous:				
Investment Income	15,500	15,500	204,931	189,431
Property Sales	7,000	7,000	39,003	32,003
Hospital Lease	-	-	75	75
Insurance Recoveries	1,000	1,000	716	(284)
Miscellaneous	145,800	145,800	75,056	(70,744)
Total Miscellaneous	<u>169,300</u>	<u>169,300</u>	<u>319,781</u>	<u>150,481</u>
Total Revenues	<u>\$ 6,283,901</u>	<u>\$ 6,283,901</u>	<u>\$ 6,425,667</u>	<u>\$ 141,766</u>

**CITY OF RIPON, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
General Government:				
Common Council	\$ 50,858	\$ 50,858	\$ 44,841	\$ 6,017
City Attorney	143,878	143,878	145,091	(1,213)
City Administration	561,106	561,106	610,221	(49,115)
Elections	22,850	22,850	20,310	2,540
Insurance	226,170	226,170	149,812	76,358
Total General Government	<u>1,004,862</u>	<u>1,004,862</u>	<u>970,275</u>	<u>34,587</u>
Public Safety:				
Law Enforcement	2,270,779	2,270,779	2,409,432	(138,653)
Fire Department	396,689	396,689	406,334	(9,645)
Inspection	49,800	49,800	106,071	(56,271)
Emergency Government	26,400	26,400	34,066	(7,666)
Total Public Safety	<u>2,743,668</u>	<u>2,743,668</u>	<u>2,955,903</u>	<u>(212,235)</u>
Public Works:				
Garage	432,140	432,140	429,339	2,801
Street Maintenance	1,189,321	1,189,321	1,360,967	(171,646)
Buildings and Grounds	122,100	122,100	108,796	13,304
Solid Waste	309,201	309,201	307,734	1,467
Total Public Works	<u>2,052,762</u>	<u>2,052,762</u>	<u>2,206,836</u>	<u>(154,074)</u>
Health and Human Services:				
Animal Control	6,200	6,200	5,312	888
Cemetery	105,916	105,916	105,798	118
Total Health and Human Services	<u>112,116</u>	<u>112,116</u>	<u>111,110</u>	<u>1,006</u>
Culture and Recreation:				
Parks	346,152	346,152	350,189	(4,037)
Cable TV	78,841	78,841	79,601	(760)
Total Culture and Recreation	<u>424,993</u>	<u>424,993</u>	<u>429,790</u>	<u>(4,797)</u>
Total Expenditures	<u>\$ 6,338,401</u>	<u>\$ 6,338,401</u>	<u>\$ 6,750,589</u>	<u>\$ (412,188)</u>

CITY OF RIPON, WISCONSIN
COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Special Revenue							
	CDBG Revolving Loans	CDBG Housing	Emergency Medical Services	Library	Community Promotion	Donations	Taxi	City Revolving Loans
ASSETS								
Cash and Investments	\$ -	\$ 38,894	\$ 266,983	\$ 1,285,135	\$ 243,796	\$ 130,198	\$ -	\$ 105,381
Receivables:								
Taxes and Special Charges	-	-	-	305,893	-	-	-	-
Accounts, Net	-	-	120,151	-	46,351	-	-	-
Loans	-	604,390	-	-	-	-	-	-
Advance to Other Funds	-	-	-	-	-	-	-	-
Prepaid Supplies and Items	-	-	5,513	1,660	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 643,284</u>	<u>\$ 392,647</u>	<u>\$ 1,592,688</u>	<u>\$ 290,147</u>	<u>\$ 130,198</u>	<u>\$ -</u>	<u>\$ 105,381</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ -	\$ -	\$ 1,717	\$ 645	\$ 45,184	\$ 37	\$ 21,228	\$ 58
Accrued and Other Current Liabilities	-	-	24,468	7,879	-	-	-	-
Due to Other Funds	7,578	-	-	-	-	-	317,533	-
Advance from Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	<u>7,578</u>	<u>-</u>	<u>26,185</u>	<u>8,524</u>	<u>45,184</u>	<u>37</u>	<u>338,761</u>	<u>58</u>
DEFERRED INFLOWS OF RESOURCES								
Property Taxes Levied for Subsequent Year	-	-	-	450,000	-	-	-	-
Loans Receivable	-	604,390	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>604,390</u>	<u>-</u>	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	5,513	1,660	-	-	-	-
Restricted	-	38,894	-	-	-	-	-	-
Committed	-	-	360,949	1,132,504	244,963	130,161	-	105,323
Unassigned	(7,578)	-	-	-	-	-	(338,761)	-
Total Fund Balances	<u>(7,578)</u>	<u>38,894</u>	<u>366,462</u>	<u>1,134,164</u>	<u>244,963</u>	<u>130,161</u>	<u>(338,761)</u>	<u>105,323</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 643,284</u>	<u>\$ 392,647</u>	<u>\$ 1,592,688</u>	<u>\$ 290,147</u>	<u>\$ 130,198</u>	<u>\$ -</u>	<u>\$ 105,381</u>

**CITY OF RIPON, WISCONSIN
COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024**

	Special Revenue (Continued)		Capital Projects							Totals
	Equipment Replacement	Recycling	TID No. 5 Industrial Development	TID No. 6 Hwy 23W	TID No. 9 Hwy 44/Olden Road	TID No. 10 Hwy 23/Douglas	TID No. 12 Industrial Development Vermont/Hall	TID No. 14 Industrial Development	TID No. 15 Industrial Development	
ASSETS										
Cash and Investments	\$ 46,387	\$ -	\$ 2,750	\$ 164,718	\$ 501,131	\$ 826,700	\$ 22,121	\$ 356,879	\$ -	\$ 3,991,073
Receivables:										
Taxes and Special Charges	-	-	-	349,644	80,386	140,347	46,954	211,978	40,206	1,175,408
Accounts, Net	-	-	-	-	-	-	-	-	-	166,502
Loans	-	-	-	-	-	-	-	-	-	604,390
Advance to Other Funds	-	-	-	-	-	-	-	158,234	-	158,234
Prepaid Supplies and Items	-	-	-	-	-	-	-	-	-	7,173
Total Assets	\$ 46,387	\$ -	\$ 2,750	\$ 514,362	\$ 581,517	\$ 967,047	\$ 69,075	\$ 727,091	\$ 40,206	\$ 6,102,780
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts Payable	\$ -	\$ 12,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,582
Accrued and Other Current Liabilities	-	-	-	-	-	-	-	-	-	32,347
Due to Other Funds	-	20,717	-	-	-	-	-	-	196,381	542,209
Advance from Other Funds	-	-	-	-	-	-	-	-	140,328	140,328
Total Liabilities	-	33,430	-	-	-	-	-	-	336,709	796,466
DEFERRED INFLOWS OF RESOURCES										
Property Taxes Levied for Subsequent Year	-	-	-	514,362	118,256	206,465	69,075	311,841	59,147	1,729,146
Loans Receivable	-	-	-	-	-	-	-	-	-	604,390
Total Deferred Inflows of Resources	-	-	-	514,362	118,256	206,465	69,075	311,841	59,147	2,333,536
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	-	7,173
Restricted	-	-	2,750	-	463,261	760,582	-	415,250	-	1,680,737
Committed	46,387	-	-	-	-	-	-	-	-	2,020,287
Unassigned	-	(33,430)	-	-	-	-	-	-	(355,650)	(735,419)
Total Fund Balances	46,387	(33,430)	2,750	-	463,261	760,582	-	415,250	(355,650)	2,972,778
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 46,387	\$ -	\$ 2,750	\$ 514,362	\$ 581,517	\$ 967,047	\$ 69,075	\$ 727,091	\$ 40,206	\$ 6,102,780

CITY OF RIPON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	Special Revenue						
	CDBG Revolving Loans	CDBG Housing	Emergency Medical Services	Library	Community Promotion	Donations	Taxi
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ 452,346	\$ 154,875	\$ -	\$ -
Special Assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	7,412	222,931	-	-	208,658
Public Charges for Services	-	-	714,155	6,661	-	-	153,114
Intergovernmental Charges for Services	-	-	107,359	-	-	-	-
Miscellaneous	30	1,015	20,188	361,038	5,900	38,839	1,369
Total Revenues	<u>30</u>	<u>1,015</u>	<u>849,114</u>	<u>1,042,976</u>	<u>160,775</u>	<u>38,839</u>	<u>363,141</u>
EXPENDITURES							
Current:							
Public Safety	-	-	722,191	-	-	14,739	-
Public Works	-	-	-	-	-	-	399,434
Culture and Recreation	-	-	-	767,854	-	26,409	-
Conservation and Development	-	36,025	-	-	149,960	-	-
Debt Service:							
Principal	-	-	8,810	-	-	-	-
Interest and Fiscal Charges	-	-	944	-	-	-	-
Capital Outlay	-	-	113,099	-	-	-	-
Total Expenditures	<u>-</u>	<u>36,025</u>	<u>845,044</u>	<u>767,854</u>	<u>149,960</u>	<u>41,148</u>	<u>399,434</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>30</u>	<u>(35,010)</u>	<u>4,070</u>	<u>275,122</u>	<u>10,815</u>	<u>(2,309)</u>	<u>(36,293)</u>
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>30</u>	<u>(35,010)</u>	<u>4,070</u>	<u>275,122</u>	<u>10,815</u>	<u>(2,309)</u>	<u>(36,293)</u>
Fund Balances - Beginning of Year, as Originally Stated	(7,608)	73,904	362,392	859,042	234,148	132,470	(302,468)
Change within Financial Reporting Entity Nonmajor to Major Fund	-	-	-	-	-	-	-
Fund Balances - Beginning of Year, as Restated	<u>(7,608)</u>	<u>73,904</u>	<u>362,392</u>	<u>859,042</u>	<u>234,148</u>	<u>132,470</u>	<u>(302,468)</u>
FUND BALANCES - END OF YEAR	<u>\$ (7,578)</u>	<u>\$ 38,894</u>	<u>\$ 366,462</u>	<u>\$ 1,134,164</u>	<u>\$ 244,963</u>	<u>\$ 130,161</u>	<u>\$ (338,761)</u>

CITY OF RIPON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	Special Revenue (Continued)			Capital Projects			
	City Revolving Loans	Equipment Replacement	Recycling	TID No. 4 Industrial Park	TID No. 5 Industrial Development	TID No. 6 Hwy 23W	TID No. 7 Hwy 44/49S
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 216,967	\$ 477,768	\$ -
Special Assessments	-	-	144,879	-	-	-	-
Intergovernmental	-	-	-	-	-	14,922	-
Public Charges for Services	-	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-	-
Miscellaneous	-	590	-	35	2,913	6,103	-
Total Revenues	<u>-</u>	<u>590</u>	<u>144,879</u>	<u>35</u>	<u>219,880</u>	<u>498,793</u>	<u>-</u>
EXPENDITURES							
Current:							
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	160,879	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Conservation and Development	131,213	-	-	-	9,853	2,482	-
Debt Service:							
Principal	-	-	-	-	-	88,133	-
Interest and Fiscal Charges	-	-	-	-	-	5,222	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>131,213</u>	<u>-</u>	<u>160,879</u>	<u>-</u>	<u>9,853</u>	<u>95,837</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES	(131,213)	590	(16,000)	35	210,027	402,956	-
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	-	-	-	-	-	-
Transfers In	207,277	-	-	53	-	-	-
Transfers Out	-	-	-	-	(207,277)	(402,956)	-
Total Other Financing Sources (Uses)	<u>207,277</u>	<u>-</u>	<u>-</u>	<u>53</u>	<u>(207,277)</u>	<u>(402,956)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>76,064</u>	<u>590</u>	<u>(16,000)</u>	<u>88</u>	<u>2,750</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year, as Originally Stated	29,259	45,797	(17,430)	(88)	-	-	(922,943)
Change within Financial Reporting Entity Nonmajor to Major Fund	-	-	-	-	-	-	922,943
Fund Balances - Beginning of Year, as Restated	<u>29,259</u>	<u>45,797</u>	<u>(17,430)</u>	<u>(88)</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 105,323</u>	<u>\$ 46,387</u>	<u>\$ (33,430)</u>	<u>\$ -</u>	<u>\$ 2,750</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF RIPON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	Capital Projects (Continued)					Totals
	TID No. 9 Hwy 44/Olden Road	TID No. 10 Hwy 23/Douglas	TID No. 12 Industrial Development Vermont/Hall	TID No. 14 Industrial Development	TID No. 15 Industrial Development	
REVENUES						
Taxes	\$ 117,259	\$ 205,969	\$ 18,900	\$ 90,993	\$ 46,417	\$ 1,781,494
Special Assessments	-	-	-	-	-	144,879
Intergovernmental	542	13,383	1,444	-	-	469,292
Public Charges for Services	-	-	-	-	-	873,930
Intergovernmental Charges for Services	-	-	-	-	-	107,359
Miscellaneous	11,101	8,785	2,802	5,788	150,000	616,496
Total Revenues	<u>128,902</u>	<u>228,137</u>	<u>23,146</u>	<u>96,781</u>	<u>196,417</u>	<u>3,993,450</u>
EXPENDITURES						
Current:						
Public Safety	-	-	-	-	-	736,930
Public Works	-	-	-	-	-	560,313
Culture and Recreation	-	-	-	-	-	794,263
Conservation and Development	16,880	17,901	16,876	56,690	152,216	590,096
Debt Service:						
Principal	-	-	-	-	-	96,943
Interest and Fiscal Charges	-	-	-	1,474	1,927	9,567
Capital Outlay	-	-	-	552,840	-	665,939
Total Expenditures	<u>16,880</u>	<u>17,901</u>	<u>16,876</u>	<u>611,004</u>	<u>154,143</u>	<u>3,454,051</u>
EXCESS OF REVENUES OVER (UNDER)						
EXPENDITURES	112,022	210,236	6,270	(514,223)	42,274	539,399
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	-	415,000	-	415,000
Transfers In	-	-	-	-	-	207,330
Transfers Out	(97,943)	-	(209,107)	(112,828)	-	(1,030,111)
Total Other Financing Sources (Uses)	<u>(97,943)</u>	<u>-</u>	<u>(209,107)</u>	<u>302,172</u>	<u>-</u>	<u>(407,781)</u>
NET CHANGE IN FUND BALANCES	<u>14,079</u>	<u>210,236</u>	<u>(202,837)</u>	<u>(212,051)</u>	<u>42,274</u>	<u>131,618</u>
Fund Balances - Beginning of Year, as Originally Stated	449,182	550,346	202,837	627,301	(397,924)	1,918,217
Change within Financial Reporting Entity Nonmajor to Major Fund	-	-	-	-	-	922,943
Fund Balances - Beginning of Year, as Restated	<u>449,182</u>	<u>550,346</u>	<u>202,837</u>	<u>627,301</u>	<u>(397,924)</u>	<u>2,841,160</u>
FUND BALANCES - END OF YEAR	<u>\$ 463,261</u>	<u>\$ 760,582</u>	<u>\$ -</u>	<u>\$ 415,250</u>	<u>\$ (355,650)</u>	<u>\$ 2,972,778</u>

**CITY OF RIPON, WISCONSIN
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31, 2024**

	Tax Collection Custodial Fund	FF/NN Landfill Custodial Fund	Totals
ASSETS			
Current Assets:			
Cash and Investments	\$ 2,082,933	\$ 80,986	\$ 2,163,919
Receivables:			
Taxes	4,421,402	-	4,421,402
Total Assets	6,504,335	80,986	6,585,321
DEFERRED INFLOWS			
Property Taxes Levied for Subsequent Year	6,504,335	-	6,504,335
NET POSITION			
Restricted	\$ -	\$ 80,986	\$ 80,986

**CITY OF RIPON, WISCONSIN
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED DECEMBER 31, 2024**

	Tax Collection Custodial Fund	FF/NN Landfill Custodial Fund	Totals
ADDITIONS			
Taxes and Special Charges Collected	\$ 6,625,264	\$ 154,707	\$ 6,779,971
DEDUCTIONS			
Current:			
Payments to Others	6,625,264	95,711	6,720,975
CHANGE IN NET POSITION	-	58,996	58,996
Net Position - Beginning of Year	-	21,990	21,990
NET POSITION - END OF YEAR	\$ -	\$ 80,986	\$ 80,986

**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**

Mayor and City Council
City of Ripon, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Ripon, Wisconsin, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Ripon, Wisconsin's basic financial statements, and have issued our report thereon dated October 29, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Ripon, Wisconsin'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 City of Ripon, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Ripon, Wisconsin'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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters


As part of obtaining reasonable assurance about whether City of Ripon, Wisconsin’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*.

City of Ripon, Wisconsin’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Ripon, Wisconsin’s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. City of Ripon, Wisconsin’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 entity’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
October 29, 2025

**CITY OF RIPON, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2024**

Internal Control Over Financial Reporting

FINDING NO.	CONTROL DEFICIENCIES
2024-001	Preparation of Annual Financial Report Repeat of Finding 2023-001
Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Condition:	Current City staff maintains accounting records which reflect the City's financial transactions; however, preparing the City's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City 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.
Criteria or Specific Requirement:	The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.
Cause:	City 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 City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the City continue reviewing the annual financial report. 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 City is necessary to obtain a complete and adequate understanding of the City's annual financial report.
Management's Response:	Management believes the cost of additional staff time and training to prepare year-end closing entries and reports outweighs the benefits to be received. Management has reviewed and approved the annual financial report prior to issuance.

**CITY OF RIPON, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Internal Control Over Financial Reporting (Continued)

FINDING NO.	CONTROL DEFICIENCIES
2024-002	Adjustments to the City's Financial Records Repeat of Finding 2023-002
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 City's financial statements.
Criteria or Specific Requirement:	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	While City staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries required additional expertise that would entail additional training and staff time to develop.
Effect:	Year-end financial records prepared by the City may contain material misstatements.
Recommendation:	We recommend the City designate an individual to obtain additional training in order to prepare the adjusting and closing entries. We are available to assist the individual in obtaining the understanding to prepare these entries.
Management's Response:	Management believes that the cost of employing staff with the necessary expertise outweighs the benefits to be received. Management will continue to review and approve the financial statements and other information prior to issuance.



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